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ABSTRACT

This report examines what factors, besides funding and eligibility, affect whether eligible low-income parents who know they can get a child care subsidy actually use one. Data come from subsidy agency administrators, child care experts and caseworkers, parents, and providers at 17 sites in 12 states in 1999 as part of a case study project. This report examines subsidy policies and practices that may affect the utilization patterns of eligible parents who want to apply for, or who already receive, subsidies. Results indicate that there are many subsidy policies and practices that make it difficult for low income eligible parents to access and retain the child care assistance they need in order to work. Eight chapters examine: (1) "How Parents Experience the Subsidy System: Overarching Administrative and Structural Factors"; (2) "Initial Access to the Child Care Subsidy System"; (3) "Retaining Assistance during the Recertification Process"; (4) "Retaining Child Care Assistance after Leaving Welfare"; (5) "Retaining Assistance through Changes in Employment Circumstances"; (6) "Retaining Subsidies during Changes in Child Care Providers"; (7) "The End of the Process: Termination from the Subsidy Program"; and (8) "Conclusions." Study data are appended. (Contains 33 references.) (SM)

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# Getting and Retaining Child Care Assistance: How Policy and Practice Influence Parents' Experiences

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*Occasional Paper Number 49*

Assessing the New Federalism

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# Getting and Retaining Child Care Assistance: How Policy and Practice Influence Parents' Experiences

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*An Urban Institute Program to Assess Changing Social Policies*

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This paper is part of the Urban Institute's *Assessing the New Federalism* project, a multiyear project to monitor and assess the devolution of social programs from the federal to the state and local levels. Alan Weil is the project director. The project analyzes changes in income support, social services, and health programs. In collaboration with Child Trends, the project studies child and family well-being.

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*Assessing the New Federalism* is a multiyear Urban Institute project designed to analyze the devolution of responsibility for social programs from the federal government to the states, focusing primarily on health care, income security, employment and training programs, and social services. Researchers monitor program changes and fiscal developments. In collaboration with Child Trends, the project studies changes in family well-being. The project aims to provide timely, nonpartisan information to inform public debate and to help state and local decisionmakers carry out their new responsibilities more effectively.

Key components of the project include a household survey, studies of policies in 13 states, and a database with information on all states and the District of Columbia, available at the Urban Institute's Web site (http://www.urban.org). This paper is one in a series of occasional papers analyzing information from these and other sources.

Analysis for this report was completed by the authors along with Patricia McMahon. The research presented in this report is based on the site visits and data collection of a larger team of researchers, which includes the authors, Patricia McMahon, James Barsimantov, Jeffrey Capizzano, Deborah Montgomery, Stefanie Schmidt, Freya Sonenstein, and Kathryn Tout.

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# Executive Summary

In recent years, helping to defray some of the costs of child care for low-income parents has become a cornerstone of state and local policies to help low-income parents work and to avoid or leave welfare. Because of the important role that child care plays in meeting these policy goals, there is increasing concern about whether eligible parents who need child care assistance are accessing the service and, if not, why not. While many families cannot get subsidies because there are not sufficient funds available to serve all those who are eligible, research suggests that some families who could get child care assistance—because they are of high priority or live in states where there are more resources invested in child care—may not be accessing it and that families who do get help cycle on and off the system fairly quickly.

This report looks beyond funding and eligibility issues to examine what additional factors might affect whether eligible parents who know they can get a subsidy actually use one. It relies on data gathered from subsidy agency administrators, key child care experts, child care caseworkers, parents, and providers at 17 sites in 12 states in 1999 as part of the *Assessing the New Federalism* case study project. The report examines those subsidy policies and practices that may affect the utilization patterns of eligible parents who want to apply for, or who already receive, subsidies. It also touches on some of the ways that these policies and practices may affect the willingness or the interest of parents to try to get subsidies.

This report examines several areas of subsidy policy and practice that shape utilization among eligible parents who want assistance—in particular, those that affect the following:

- The *overall experiences* of parents interacting with the subsidy system, regardless of whether it is when they initially access the system or once they receive subsidies. These policies and practices shape how easy or difficult it is to interact with the agency in any way—how easy it is to contact caseworkers, the way they are treated by staff, and so forth (chapter 1).
- The ease with which eligible parents who know about child care assistance can initially get *access* to subsidies—in particular, what they have to do in the application process and what they experience as they initially apply for subsidies (chapter 2).
- The ease with which parents who obtain subsidies are able to *retain* them as they experience various life transitions that can affect their subsidy—in particular, what parents must do on a regular basis to prove their eligibility (chapter 3); to keep their subsidy as they move off welfare (chapter 4); and to retain subsidies as they experience other common changes, such as those in their job or pay (chapter 5) or in their child care provider (chapter 6). (Appendix 3 also briefly discusses another transition for parents—changing geographical locations.)

How the termination process works for families, focusing specifically on how parents lose child care assistance, and how this process may encourage or discourage the retention of subsidies (chapter 7).

Chapter 8 provides a summary of key findings, their implications for policy, and promising practices and principles. (Appendix 4 includes a three-page summary of the promising practices and principles.)

The paper concludes that there are a number of subsidy policies and practices that make it difficult for low-income eligible parents to access and retain the child care assistance they need in order to work. This research suggests that these practices may inadvertently undercut several of the fundamental goals of the child care subsidy system, including supporting work, reducing welfare receipt, and promoting stable child care. Yet there are good examples of policies and practices that support access and retention, and states and localities have the freedom to implement such strategies in the current federal context. Consequently, while these strategies will not address the larger access constraints created by inadequate funding levels, taking steps to make the subsidy system more accessible to low-income families could help support the larger policy goals of supporting work among low-income parents and more stable child care for their children.

# Getting and Retaining Child Care Assistance: How Policy and Practice Influence Parents' Experiences

## Introduction

In the past decade, helping to defray some of the costs of child care for low-income parents has become a cornerstone of state and local policies to help low-income parents work and to avoid or leave welfare. Child care was a key element of both the 1988 and 1996 welfare reform initiatives, and federal and state funding for subsidies has risen from an estimated $2 billion in 1990 (Adams and Sandfort 1992) to at least four times that amount now (HHS 2001a). In fiscal year 2000, an estimated average of 1.9 million low-income children per month received subsidies through the Child Care and Development Block Grant, also known as the Child Care and Development Fund (HHS 2001b). (Box I-1 provides a brief overview of how child care subsidies work.)

Because of the important role that child care plays in supporting work among low-income parents, there is increasing concern about whether eligible parents who need child care assistance are accessing the service and, if not, why not. In examining this question, it is useful to recognize that there are three kinds of factors that can interact in shaping the utilization patterns of any individual family.

*Subsidy funding and eligibility policies that affect service levels.* These include total funding levels, which determine whether funding is available to serve families who need assistance, and the eligibility requirements and criteria for setting priorities that determine who can get assistance if they apply.

*Subsidy policies and practices that affect how easy it is for eligible parents to access and retain child care assistance.* These include the policies/practices that affect whether parents even know they are eligible (such as outreach and public education efforts) as well as the less well understood policies and practices that affect what eligible parents have to do to get and keep subsidies. Specifically, how easy is it to get subsidies (i.e., apply for them), how does the process work, and how easy is it for parents to retain them once they start receiving them?

*Personal preferences and beliefs.* Some parents do not want subsidies for a variety of reasons. Some may have found other ways to care for their children, may not want to use paid child care, may not want to accept public support because of the stigma of public assistance, or may have had a bad experience with the system. The last two of these reasons—concerns about the stigma and having had a

**Box I-1. How Child Care Subsidies Work**

The federal government provides funds to states through the Child Care and Development Block Grant, also known as the Child Care and Development Fund. States package these federal funds with varying levels of state funds, using a variety of administrative and programmatic approaches, to create child care subsidy programs that help pay some or all of the costs of care for low-income families. (See appendix 1 for a description of the administrative approaches of the 12 states examined in this report.)

While it varies across states, most child care subsidies nationwide are delivered through a child care "voucher" or "certificate." Under this approach, parents can choose any of a range of legal providers—including relative care, in-home care, family child care, and center-based care. The subsidy agency agrees to pay some or all of the costs of child care (depending on the parents' level of copayment, which is determined by their income and a sliding fee scale) as long as the provider does not charge more than a maximum level set by the state. In most cases, the agency pays the provider directly on a reimbursement basis, and the parents pay the provider their copayment.

In some states, some of the subsidy funds are delivered through a "contract" mechanism. With this approach, the agency enters into a contract with selected child care providers and agrees up front to pay the provider a certain amount for a certain number of children. The providers can count on getting the promised funds as long as they comply with requirements and provide the services in the contract. (Note that some states have systems that are called "contracts," which actually operate more like a voucher system.)

bad experience with the subsidy system—can be affected by subsidy policies, programs, and practices, while other reasons are very personal to the individuals.

These three areas play an important role individually and together in shaping utilization patterns, though they are likely to vary across families and communities.

We know the most about the first of these—subsidy funding and eligibility policies—because they are centrally important in affecting which parents are able to use subsidies, and because they are easier to examine. In particular, current research--including research from the *Assessing the New Federalism* (ANF) child care case studies and the National Study of Child Care for Low-Income Families (NSCCLIF)—has found that some eligible families are not getting served because of inadequate funding. The NSCCLIF reports that the proportion of eligible children served with combined federal and state funds across the 17 states examined ranged from 14 to 50 percent (Collins et al. 2000). Inadequate funding levels have led states to identify a range of ways to ration their services—both formally and informally. For example, the ANF child care case studies in 1999–2000 found that

- None of the 12 ANF focal states had set statewide cutoffs at the maximum level allowed by the federal government (85 percent of the state median income)—with the statewide ceilings ranging from 45 to 75 percent of the state median income (Blank and Poersch 2000).[1] A number of states set additional eligibility restrictions, such as making applicants who needed child care to find a job ineligible, or requiring them to work a minimum number of hours before qualifying.



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- Eight of the twelve states had waiting lists of eligible parents who could not be served because of inadequate funds.[2] All of these states gave priority to parents on welfare and parents leaving welfare to get services, with the result that low-income working parents who had not been on Temporary Assistance for Needy Families (TANF) were the group most likely to be put on a waiting list for subsidy.

In addition to the issues of funding and formal eligibility policies, ANF respondents in virtually all states reported that there were eligible parents who did not know they could get assistance but who otherwise might apply. They reported that there was relatively little outreach or recruitment for subsidies. This was, in turn, related to the inadequate resources; respondents suggested that it was not appropriate to conduct outreach or recruitment if they did not have funds to provide the service. (See forthcoming papers from the Urban Institute for other ANF child care case study findings).[3]

While these findings underscore the central role that inadequate resources play in limiting access for low-income families, research also suggests additional factors that limit access. In particular, there is some evidence that subsidy usage may be low even among parents who manage to get through the access barriers outlined above. Specifically,

- *Many eligible parents are not using subsidies, even in states that reported they serve all who apply.* Low subsidy usage patterns are found even in states such as Wisconsin, Michigan, and Washington that report that they serve all eligible parents who apply (HHS 2000). While these states varied in the level of outreach they conducted—and respondents in these states agreed that there were eligible parents who did not know they could get services—it is likely that these usage patterns are caused by more than a simple lack of knowledge.
- *Utilization rates appear to be relatively low even among parents who are a high-priority focus of state subsidy programs.* A synthesis of research on child care utilization among parents leaving welfare—a priority group for child care subsidies in many states—found that the proportion of employed parents using subsidies in their first year after leaving welfare ranged from 8 to 46 percent (Acs and Loprest 2001; Schumacher and Greenberg 1999). Other research suggests that usage patterns are also low among other priority groups, such as welfare recipients (Meyers, Heintze, and Wolf 1999).
- *Families who do get subsidies may not stay in the system for very long.* A study of five states found that the average duration of a stay on child care subsidies ranged between three and seven months (Meyers et al. 2001).

These findings highlight the importance of looking beyond funding and eligibility issues to examine what other factors might affect whether eligible parents who know they can get subsidies actually use them. The research in this report takes a step forward in this effort. It examines in depth for the first time, the subsidy policies and practices[4] that may affect the utilization patterns of eligible parents who want to apply for, or who already receive, subsidies. (These are parents, therefore, who are interested in getting a subsidy, are not constrained by the personal preference factors

noted above, and have in some ways "made it past" the funding, eligibility, and knowledge barriers that can affect their utilization.) It also touches on some of the ways these policies and practices may affect the willingness or interest of parents to try to get subsidies.

The research presented here examines three areas of subsidy policy and practice that shape utilization among eligible parents who want assistance--in particular, those that affect the following:

- The *overall experiences* of parents interacting with the subsidy system, regardless of whether it is when they initially access the system or once they receive subsidies. These policies and practices shape how easy or difficult it is to interact with the agency in any way--how easy it is to contact office staff, the way they are treated by staff, and so forth.
- The ease with which eligible parents who know about child care assistance can initially *access* subsidies—in particular, what they have to do during the application process and what they experience as they initially apply for subsidies.
- The ease with which parents who obtain subsidies are able to *retain* them as they go through various life transitions that can affect their subsidy. What do they have to do when they have a change in their job, work hours, income, child care provider, welfare status, and so forth? While the issue of retaining subsidies has seldom been examined, the recent research on the high turnover rates in the subsidy system underscores its importance.

These three areas are particularly promising to examine. Not only do they have an impact on usage patterns, but they are under the control of policymakers and subsidy agencies and they can be addressed through policy strategies and solutions. We also know relatively little about how these issues play out in the lives of parents.

## Different Perspectives On What Parents Have to Do to Access and Retain Subsidies

The research presented here examines the policies and practices that shape the experiences of parents as they access and retain child care subsidies. As is described in more depth in the next section, the research draws on information gathered from subsidy agency administrators, key child care experts, child care caseworkers, parents, and providers at 17 sites in 12 states in 1999.

We present the information gathered from these various respondents through two lenses. One important lens is the perspective of parents--from this perspective, the more a family has to do to access subsidies and then retain them through various transitions, the more likely it is that the family may not apply or may not be able to retain subsidies. The other lens is the perspective of the subsidy agency, because any effort to address these issues should recognize the agency's needs and its financial and administrative constraints. From the agency's perspective, it needs to ensure that the subsidy is set at the appropriate level and that the family is eligible for services as

it moves through various changes and stages. These two perspectives sometimes coincide and sometimes come into conflict with each other. (A third perspective, that of the child care provider, is addressed in a forthcoming companion paper.)

To demonstrate these two perspectives, it is useful to examine how getting and retaining subsidies plays out in the lives of individual parents. Take, for example, a hypothetical single mother named Leslie who needs help paying for child care so she can keep working; she is eligible for assistance in her state and funds are available to give her a subsidy. In Leslie's life, a number of events occur in the space of less than a year that can affect her subsidy.

1. First, Leslie needs to apply for child care assistance.
2. After a few months she gets a small raise.
3. A month and a half later she is asked to change her hours to work evenings.
4. A month or two after that she realizes she needs a different child care provider because her provider is no longer willing to keep her child in the evenings.
5. A month later she needs to recertify that she is still eligible for assistance.
6. She then gets laid off.
7. After a few weeks of looking for work, she finds another job.

It is important to recognize that this is not an exaggerated scenario, as this kind of dynamic situation is not uncommon for low-income parents. Low-income entry-level workers have been shown to have more frequent job and schedule changes than do other workers (Lane 2000; Rangarajan, Schochet, and Chu 1998). Similarly, children of low-income parents are more likely to experience turbulence (as measured by issues such as changes in employment, changes in residence, and so forth) than are children of higher-income parents (Moore, Vandivere, and Ehrle 2000).

From Leslie's perspective, her priority throughout these changes would likely be to keep working and to have stable child care for her child—both of which require that she be able to obtain and keep her subsidy with as little effort and interference with her work as possible. While the agency also wants to keep Leslie working, the situation is more challenging from its perspective. *Each* of these developments can affect the subsidy in some way--either Leslie's eligibility, her copayment, the state's reimbursement, or the provider who is to receive payment (see table I-1). As a consequence, the agency may feel it is necessary to have up-to-date information about Leslie's situation at each of these steps to ensure that the subsidy level is appropriate, she is still eligible, and the payment is going to the correct provider. Consequently the state may set in place a series of reporting requirements at each of these steps—not with the goal of creating barriers, but with the goal of ensuring the accuracy of the subsidy. Although all agencies have an incentive to ensure that funds are being spent appropriately, this issue is particularly urgent in those states that lack sufficient funds to serve all eligible parents. In these states, staff have an even stronger incentive to monitor changes very closely so that they can free up funds to serve eligible parents who are not able to get services.

**Table I–1. How Changes in a Single Mother's Life Can Affect Her Subsidy**

| Changes in Leslie's Life That Can Affect Her Subsidy | What Issues the Subsidy Agency Might Need to Assess Because of This Change | | | |
|---|---|---|---|---|
| | Eligibility (Work Status/Income) | Parent Fee (Income) | Hours Needing Child Care | Provider Payment Agreement |
| 1) Applies for child care assistance | X | X | X | X |
| 2) Gets a small raise | X | X | | |
| 3) Changes work hours to evenings | | | X | X |
| 4) Changes child care provider | | | | X |
| 5) Recertifies eligibility | X | X | X | X |
| 6) Gets laid off | X | X | X | X |
| 7) Finds new job | X | X | X | X |

While it is reasonable for the state to require information to ensure the appropriateness of the subsidy, *how* the state obtains this information for any of these steps can—depending on what is required—affect whether Leslie is able to get and keep her subsidy. This can occur in two ways. First, the level of effort that is required for any one of these individual interactions can affect whether she is able to complete that particular step. Does she have to take time off work to come into the office, or can she do it by phone? Is the paperwork complex, requiring multiple visits, or is it straightforward? Second, the number of required interactions, and their cumulative impact over a relatively short period, can make it more or less difficult for Leslie to maintain her subsidy. The impact, for example, of having to take time off work repeatedly or provide complex paperwork can increase the likelihood that either Leslie will fail to comply and be terminated by the state or she will drop out of the subsidy system because it is too difficult to meet the requirements. Alternatively, if these interactions are less frequent or are easier, she will more likely be able to meet these requirements and to retain her subsidy.

These issues can either be relatively easy for parents or they can create a succession of barriers that parents must overcome to obtain and retain subsidies. Problems at any step can create a form of friction in the system where an eligible family ends up not getting help, losing services once the family is in the program because of failure to comply with the requirements, or dropping out because it is too difficult.

## The Research Approach: Examining Child Care Policies, Practices, and Implementation

The research presented here was collected through interviews and site visits conducted under the case study/policy research component of the *Assessing the New Federalism* (ANF) project of the Urban Institute (see appendix 2). It involved collecting information at 17 sites in 12 states (see table I-2) between June 1999 and March 2000.[2] In this process, we interviewed child care administrators and child care

**Table I-2.** ***Assessing the New Federalism*** **(ANF) States and Sites**

| | | | |
|---|---|---|---|
| **Alabama**<br>Birmingham | **Florida**<br>Miami<br>Tampa | **Minnesota**<br>Minneapolis | **Texas**<br>El Paso<br>Houston |
| **California**<br>Los Angeles<br>Oakland<br>San Diego | **Massachusetts**<br>Boston | **New Jersey**<br>Jersey City | **Washington**<br>Seattle |
| **Colorado**<br>Denver | **Michigan**<br>Detroit | **New York**<br>Buffalo<br>New York City | **Wisconsin**<br>Milwaukee |

experts at the state and local levels and conducted focus groups of child care subsidy caseworkers, parents receiving subsidies, and providers serving children receiving subsidies. These respondents were asked questions about a range of issues, including what was required of parents at specific stages of the subsidy process (from application through termination) and what they had to do when they experienced specific changes in their lives. (See appendix 2 for more information on the methodology used for this research.)

This research approach has a number of important strengths, specifically the following:

- It used information from multiple levels and perspectives. We collected information on administrative issues that affected how agencies set up and managed their subsidy programs' key policies and how the policies were actually implemented, and how these choices played out in the experiences of parents and providers. This multifaceted look was essential in understanding the complexity of these issues.
- It allowed us to document the voices and unique perspectives of those on the front line—parents, providers, and caseworkers. While these are perspectives that have been underrepresented in subsidy research, they are essential in exploring the real effects of policies and programs.
- It used a multistate, multisite approach. This approach is necessary because states and sites vary enormously in their child care policies, the design and administration of their child care programs, and the implementation of these programs across different localities.[6] (Appendix 1 provides basic context information on each of the focal states in this study at the time of our site visit.)

But there are also some challenges in using data collected from this research approach. In particular, because of the focus on local implementation, some of our findings are specific to the localities that we visited and in some cases specific to the agencies we visited or individuals we talked with. Therefore these findings are not necessarily representative of the experiences of all parents, providers, or caseworkers

even within that locality, much less within the state. Also, this research design focused on understanding the experiences of parents and providers who were currently in the subsidy system. It did not involve parents and providers who were *not* participating—which means that some of the challenges to participation identified by our respondents may underestimate the actual scope of the problem and that other challenges may not have been reported.

Also, our data are not representative in two other ways. First, our parent and provider focus groups more often reflected center-based or family child care settings rather than relative or in-home care, so the unique challenges and perspectives of unregulated caregivers are underrepresented. And second, we examined primarily the operation of state subsidy programs that operated through vouchers (or certificate programs) at the local level. (See box I-1 earlier in this chapter.) As a result, issues around the operation of subsidy programs funded through "contracts" (as was seen in our California sites, Jersey City, New York City, and Boston) are not generally included. Consequently, while the picture drawn in this report provides insights into the realities of how the subsidy system is being experienced, there is more to learn about these two important areas.

Nonetheless, this research design provides a unique glimpse into the realities facing parents, providers, caseworkers, and subsidy administrators across the country, and documents the complexity and richness of this system. By seeing how these programs operate at the local level, and hearing the voices of those who are most closely involved, it provides a powerful look into some of the factors that can affect how parents experience subsidies.

## What Is in This Report?

This report examines the subsidy policies and practices that affect the ease with which parents can initially access and then retain subsidies through various transitions they may experience. It examines what parents are required to do in interacting with the subsidy agency at each stage of the process, what the agency does to facilitate the process, and what the implications are for access and retention of assistance. The report is laid out as follows:

- Chapter 1 examines the *overarching structural and administrative policies and practices* that can affect the *overall experiences* of parents as they interact with the subsidy system, regardless of whether it is when they initially get into the system or once they are receiving subsidies. These include the administrative and structural issues that affect the interactions that parents have with the caseworkers, the general experiences that parents described when interacting with subsidy agencies, and the number of programs with which parents have to interact.
- Chapter 2 examines the policies and practices that specifically affect the ease with which those eligible parents who know about child care assistance can initially *access* subsidies—in particular, what they are required to do to apply for subsidies and what they experience during the application process.

- Chapters 3 through 6 examine what parents have to do to *retain* subsidies through specific transitions. These include what they must do on a regular basis to prove their eligibility (chapter 3), to keep their subsidy as they move off welfare (chapter 4), and to retain subsidies as they experience other common changes, in their job or pay (chapter 5) or in their child care provider (chapter 6). (Appendix 3 also briefly discusses another transition for parents—changing geographical locations.)
- Chapter 7 examines the *termination process*, focusing specifically on how parents lose child care assistance and how this process might affect utilization.
- Chapter 8 provides a summary of the key points across the report and discusses their *implications* for policy. It also puts them into a larger context and lays out some *promising principles and practices* for those who are interested in addressing the issues identified in this research.

# Chapter 1. How Parents Experience the Subsidy System: Overarching Administrative and Structural Factors

Many factors shape the experiences of parents as they interact with the child care subsidy system. While some are specific to particular interactions—for example, affecting parents when they initially apply for service or when they redetermine their eligibility—others are more pervasive. In focus groups, parents, providers, and caseworkers talked as much about how the services were delivered as about the specifics of any particular transition. They discussed such issues as how many offices they had to visit or caseworkers they had to see, how they were treated, whether their caseworkers were able to help them, and whether there were delays.

In listening to these focus groups, it became clear that these overarching factors can play a critical—though often overlooked—role in affecting child care utilization. They affect the complexity or ease of every interaction that parents have with the subsidy system—and as such they contribute to whether parents are easily able to comply with requirements. The relative ease or difficulty with which parents can contact their caseworker, and the quality of that interaction, affects the likelihood that they will understand *and* be able to comply with the requirements necessary to either initially obtain or subsequently retain their subsidy. These broader factors provide an essential context for the rest of this report because they shape the experience that families have in each of the specific transitions described in subsequent chapters.

This chapter examines three somewhat interrelated issues that were raised by respondents in our sites and explores some of the overarching administrative or structural issues that affect them. In particular,

1. What do we know about the interactions between parents and caseworkers?
2. What general office practices can affect the ease or difficulty of interactions that parents have with subsidy agencies?
3. How many agencies or subsidy programs do parents have to interact with to obtain and retain subsidies?

## What Do We Know About the Interactions between Parents and Caseworkers?

From the perspective of parents, front-line staff—referred to as caseworkers[7] in this report—play a critical role in shaping their experiences with child care subsidies. They are responsible for translating policy into practice, communicating details of policies to parents, helping parents with forms, and processing paperwork and claims. As a result, front-line staff shape the experiences of parents as they apply for and attempt to retain subsidies. Understanding these interactions and their effects is essential in exploring factors that may shape the utilization patterns of families. While research in other service areas has examined the impact of caseworkers on service delivery (Brodkin 1997; Lipsky 1980; Sandfort 1999), this issue has not been a focus in child care research.

The central importance of these front-line staff, and the experiences that families had with them, was very apparent as we conducted our research. During our focus groups with parents and providers, we heard numerous stories reflecting the power of this role. In some cases they described caseworkers who were responsive, supportive, and efficient, and who helped parents navigate complex situations without losing their subsidies. Some parents speaking about one subsidy office in Los Angeles noted that "caseworkers respect us as individuals" and that they were "helpful with getting the documents needed by families—even birth certificates."

We also heard many complaints. Respondents across several sites talked at length about their perceptions, including the following:

- Condescending treatment and a lack of respect from some caseworkers—as was illustrated by the comment of one parent: "I feel degraded. I feel like—I have a college education, I've worked all my life, I've done what I had to do. I have a child, whether it's wrong or right....Yes, I have to give you this information, but don't treat me like an animal when I'm doing it."
- Caseworkers who were unresponsive, or who made things more difficult for parents by creating hassles.
- Untrained or inexperienced caseworkers who did not have adequate knowledge of the policies and rules, or who capriciously interpreted policy.

Caseworkers were often blamed for inefficient procedures, lost paperwork, or rocky transitions. A number of respondents noted that these difficulties can have an impact on whether parents use subsidies—because they may frustrate the parents, make it difficult to meet the requirements, and/or discourage them from applying in the first place.

While in some of these situations the parents themselves could have been responsible for these problems, or could have been simply engaging in natural "griping," it would be a mistake to dismiss all of these concerns this way. Further examination of the concerns of many parents suggests that a number of these issues were valid and were corroborated by others. In addition, even though a number of respondents

articulated their concerns about caseworkers on a very personal level, exploration of these issues suggests that many of these problems may have had roots in more structural and administrative issues within state and local agencies. These agencies often controlled a number of factors that directly influenced these interactions, because they affected how caseworkers were able to do their jobs. These factors included the following:

- The responsibilities that caseworkers were assigned;
- Their caseloads and staff turnover rates; and
- The extent to which they were trained and had access to technical support.

A fundamental issue that affects all of these factors is the level of resources provided to local agencies for staffing and program management. This can affect the number of staff at an agency, the amount of training available to staff, and the level of technology.

## Caseworker Tasks and Responsibilities Can Affect Parents

One of the most basic administrative decisions that can affect parent-caseworker interactions is the responsibilities caseworkers are assigned. While we did not systematically gather information on this topic, there appeared to be significant variation across our sites in the tasks and responsibilities given to child care caseworkers. We also found that these patterns were in flux—in fact, during our site visits a number of our ANF sites were shifting or had shifted the responsibilities of caseworkers in response to changes in the welfare system.[*]

The local agencies in our focal sites varied in how they allocated the basic set of worker responsibilities or tasks, which included intake, eligibility determination, information on finding a child care provider, provider payments, and ongoing monitoring and case management of the subsidy. There were a number of different approaches.

- Some sites spread these tasks across more than one caseworker—for example, by setting it up so that one set of caseworkers did intake and eligibility determination, another group of caseworkers were responsible for ongoing case management, and still another group were responsible for provider payments. Or alternatively, they did it by having most of these tasks completed by one caseworker but referring parents to child care resource and referral agency specialists for information on choosing child care.
- Some sites located all of these responsibilities in a single caseworker, making staff responsible for multiple child care tasks.
- And one locality—Detroit—broadened the caseworkers' tasks beyond child care, making them responsible for helping families with other financial assistance programs (such as Food Stamps and TANF) as well as the range of child care tasks.

As a consequence, there was wide variation in the number and type of caseworkers parents had to deal with. In addition, sites varied in whether parents were actu-

ally able to work consistently with the same individual over time (as was the approach in Los Angeles), or whether they simply dealt with the caseworker on duty at the time (as was the approach in Houston and El Paso).

In addition to these differences in general child care staffing patterns, the circumstances sometimes were different for families on TANF. As will be discussed later in this chapter, in a number of sites these parents often had to interact with both the welfare agency and the child care subsidy agency in some way to get and keep their subsidies. This sometimes meant parents had to contact a number of different caseworkers in different agencies when they went through a transition.

As is discussed later, there appear to be strengths and weaknesses to any approach in determining caseworker responsibilities, depending on implementation. The issue of working with multiple caseworkers appeared to be less difficult for parents when agencies worked to facilitate the process for parents and to minimize their burden—by colocating services and also coordinating them so parents did not have to wait between appointments, for example. It also seemed less difficult when caseworkers were knowledgeable about their role, as well as what other caseworkers were responsible for doing, and were able to be consistent in their application of policies.

When these efforts were not made, multiple caseworkers appeared to be problematic for parents. For example, some parents who had to deal with both TANF and child care subsidy caseworkers to get and keep subsidies discussed the difficulty of keeping track of the various caseworkers, notification requirements, and rules—an issue that was even more confusing when these workers were employed by different organizations. Some parents also complained about having to go from office to office or about waiting to see the next worker, which occurred when services were not coordinated even if they were colocated.[9]

Similarly, there are pros and cons to streamlining all of the responsibilities into a single caseworker, as in Detroit. On the one hand, this approach could make the service more efficient for parents, and it could result in a good quality service for families if caseloads were small and staff had intensive training on all of the service areas. On the other hand, some caseworkers noted it was more difficult to have a broader knowledge of services and have to juggle different priorities. Said a Detroit caseworker, "When I was a day care specialist, we could keep on top of [everything]....Now with FIS [where the worker handles multiple programs], the last thing I want to have is day care. I've got to worry about [cash assistance] and I've got to worry about food stamps. Day care is at the end of the list."

## Caseworker Caseloads and Turnover Rates Affect Families

Another factor that can affect the experiences of families with the subsidy system is the number of cases for which the caseworker is responsible. As more public resources have become available for child care, the numbers of families receiving child care assistance have increased nationwide as well as in our target states. While we did not collect caseload data across our sites, it appeared that in many sites there was not a corresponding increase in staffing. In several sites—including Denver, Miami, El Paso, Birmingham, Minneapolis, Oakland, New York City, and Buffalo—

administrators, caseworkers, and families reported that more families were being assigned to caseworkers. Recent research by the National Study of Child Care for Low-Income Families also found that some states have experienced staff cuts even as their subsidy programs expanded (Collins et al. 2000).

In some ANF sites, high caseloads affected the ability of caseworkers to serve families adequately, resulting in less efficient or poor quality service.

- Some respondents pointed out that lack of staff led to long waiting times, with corresponding difficulties for parents. For example, respondents in Tampa described parents as having "to sit in a lobby for two or three hours, [their] baby starts to cry and [they] get hungry...; it doesn't matter that you can only serve 50 clients at that facility in one day." This could be particularly challenging for parents who took time off work to deal with agency requirements.
- Some respondents noted that large caseloads could mean that parents have difficulty reaching their caseworkers. Staff from Oakland discussed their high caseloads and resulting difficulty with managing the number of phone calls they received: "The phone rings every five seconds. As soon as you clear your voicemail, you have 16 more calls! It would be a dream to have only 30 or 40 [cases]." The result can be that parents feel they need to come in to the office to get in touch with caseworkers. A parent in the Oakland site said caseworkers "keep you on hold too long too. I was there [on hold] for an hour. It's best to come down here in person." Parents in other sites, such as Seattle, also felt they needed to come in to the subsidy agency because they could not reach their caseworkers by phone. Parents in Denver and Houston reported having to call their caseworkers repeatedly before being able to reach them, and parents in some sites traded strategies on how to navigate the phone systems. This can be particularly difficult for parents who take time during their work hours to call, potentially jeopardizing their jobs.
- Respondents in Birmingham, Oakland, and Buffalo reported that high caseloads were resulting in serious delays in scheduling appointments for parents—as is described later in this chapter.

In addition to being inefficient, these experiences can be a barrier for parents trying to apply for child care subsidies as well as for parents who are trying to comply with the requirements for retaining assistance. One parent in New York City said that "when you call [the subsidy office]...you cannot get through. You could spend a week just to get through, and when you do, well, 'I don't know, I can't help you, hold on'....If you can't go [in person], just plan on not getting the problem resolved for a long time." For some parents, these extra steps and barriers could well mean that they do not obtain or retain their subsidies.

Respondents in a number of sites also cited the related problem of high turnover rates among caseworkers. This problem seemed to result from some of the issues noted elsewhere in this chapter, such as high caseloads and inadequate training, as well as the strong job market in many of our localities. High turnover was a concern not only because of loss of institutional knowledge and experience, but also because of the resulting difficulties in serving clients. A respondent in Seattle said that "a lot

of times we don't even have a single person at the [local office] that can serve as a child care champion. We have a lot of new people who are still learning the very basic subsidy stuff, and they can't do the more autonomous [work]." This respondent suggested that some of the best caseworkers leave the system, with the result that the caseworkers who remained were either new or less competent.

## Training and Infrastructure Affect How Services Are Delivered

Caseworker training and the local agency infrastructure are two additional issues that affect how services are delivered and were highlighted by respondents across many of our sites. Adequate training in key policies and procedures is essential to ensure the equitable and appropriate implementation of program requirements, while having proper technology can help caseworkers serve families efficiently.

In some cases these topics were described in a positive way, as respondents told of situations where caseworkers were knowledgeable about a particular policy or had been able to help them solve a problem, or described new computer systems or other technology that made services more efficient. For example, a parent in Milwaukee discussed how easy recertification was for her: "I'm already in their [the local office's] system; I just fill out this sheet, and she [the caseworker] can put it [my information] in the computer."

In other situations, respondents made clear that these issues could be major problems. Our site visits revealed that caseworkers were sometimes unclear about appropriate policy or practice. In fact, our focus groups with caseworkers often included some set of interchanges where caseworkers disagreed about the appropriate answer to a question, or ended up explaining policies to each other in what occasionally resembled an informal staff training session. In one New York focus group, caseworkers engaged in an in-depth discussion about their different understanding of how long parents had as a grace period before losing their subsidy, and how caseworkers implemented it. Similar discussions about other policy issues occurred among caseworkers in Detroit and Los Angeles. These discussions suggested that policies were not being implemented consistently within local agencies. This confusion could leave parents equally confused as they experience different policies or are given different information by different workers. This confusion increases the likelihood that parents will inadvertently make a mistake and become out of compliance with the program rules—thus potentially jeopardizing or losing their subsidy. Parents whose primary language is not English or who are illiterate may be particularly affected.

In addition, in some sites caseworkers appeared to have inadequate resources to carry out their jobs. In Oakland, El Paso, Miami, and Tampa, for example, workers still processed applications manually or were struggling with the transition to automation, while in New York City the computer systems were unable to handle the necessary communication between the multiple local organizations responsible for subsidy delivery. Respondents in some sites noted challenges with other technologies--such as phone systems--that made it difficult to respond efficiently to parents. At the same time, some ANF sites (such as Seattle, Minneapolis, New York City, and

Birmingham) were working toward improved computer systems when we visited. Having appropriate technology and equipment can affect the extent to which caseworkers are able to support parents applying for or receiving subsidies.

### Caseworker Issues Interact in Complex Ways

While described as separate issues in this section, the different caseworker issues--caseworker responsibilities, caseloads, training, and technology--do not happen in isolation from each other. These issues can arise simultaneously, interact in complex ways to affect the services that parents receive, and are affected by other important factors discussed elsewhere in the chapter, such as the level of resources and the leadership of the local agency. The interconnection between issues such as high caseloads and lack of training, and the resulting impact on families' ability to retain subsidies, can be seen in one respondent's description of how these issues interacted during the transition to a new system:

> The [caseworkers] were supposed to only have something like 60 cases...and they ended up with maybe 100 and then they weren't really trained to do the job. So in a lot of district offices there were tremendous complaints. Kids were being kicked out of day care, people were losing jobs because their applications were several months old and had not been processed.

## What General Office Practices Can Affect Parents' Interactions with Subsidy Agencies?

Parents and other local respondents also described a number of broader policies and practices related to how the local subsidy offices operated that affected the ease of client access. In particular, they often discussed problems such as whether parents had to come into the office in person, whether they could make appointments, and the agency's office hours. Such issues have a direct impact on parents because they determine how easy it is for parents to comply with the requirements of the agency and affect whether parents were required to take time off from work to access and retain child care subsidies.

### In-Person Visits Presented Particular Challenges to Parents

One of the most common issues raised by parents across a number of sites was the difficulty of having to come into the office in person to deal with paperwork and other agency requirements. While face-to-face meetings can help caseworkers build a relationship with the parent and ensure they understand the program requirements, they can also present a burden when they occur frequently or unnecessarily. There were some agencies that worked hard to minimize the likelihood that parents would have to come into the office, but there were others in which in-person visits were common.

The reasons parents came into the office in person varied within and across our sites. In some sites, there was an explicit policy that parents were required to come into the office for particular interactions. Some sites required that parents come in periodically to redetermine their eligibility (see chapter 3) or to report changes in employment (see chapter 5). We also found some sites where parents would come in even if no explicit policy required it. The reasons behind this varied. While in some cases parents would come in because they had made an error—for example, losing paperwork or forgetting to mail it in time—or because they preferred to come in person, in other cases it was related to problems on the part of the agency. Parents described situations where they came in because

- They received inaccurate information from caseworkers. Some parents reported that the caseworker told them they needed to come into the office even when it was not required. These reports were corroborated in some cases by caseworkers who described encouraging parents to come in despite the lack of any requirement that they do so.
- They could not get through to the caseworker through alternative means. As described earlier, some parents would end up coming in because they could not get through the phone system.
- They did not trust that the caseworkers would deal appropriately with the paperwork if they were not there in person. Some parents reported incidences of caseworkers losing paperwork or throwing it away, and sometimes having to redo paperwork that was lost in the system. A mother in Seattle told us that she asked her caseworkers to stamp her paperwork to prove they received it; "Otherwise they say, 'I never saw you, I never signed anything'...They pretend they never saw you."[10] Similarly, a parent in Buffalo noted that she would "rather go down there [to the subsidy agency]. One time I tried to recertify through the mail and everything got lost." Given the severe consequences for the parent if the paperwork is not correctly received and processed—for example, in some cases that they could lose their subsidy—their belief that they should handle this in person was understandable.

Even though some situations like this are no doubt the fault of the parent, it is useful to identify those that are the responsibility of the agency because steps can be taken to address these problems. Many of these problems appeared to be related to some of the issues described earlier, such as training, technology, and caseloads, although some also could be related to internal management issues.

Regardless of the reason behind the visit, in-person visits put parents in a difficult position because they often necessitated taking time off work. Doing this was particularly challenging because low-income parents are likely to be in new jobs with little vacation or sick time, and are often trying to create a good impression with a new employer. The 1997 National Study of the Changing Workforce found that parents earning less than $7.70 an hour are less likely to have paid vacation days, paid leave for sick children, and flextime than parents earning more than $19.25 an hour (Galinsky and Bond 2000). As is shown in box 1-1, many respondents were concerned that having to take time off work to comply with subsidy requirements jeop-

**Box 1-1. The Challenges of In-Person Visits: The Perspective of Parents and Providers**

**In-person visits can mean parents must take time off from work**

"[The application process] is very stressful, especially for a working individual. You have to take so much time off of your job....A lot of times, it is more than a one-day process....If you miss a form that you are supposed to submit so you have to come back....It is just a headache....A lot of times they neglect to tell you that you need to bring in this and that, so you have to go back and try to obtain that information....It is very time-consuming, just a big headache." (Miami mother)

**Taking time off can be difficult when a parent is new to a job**

"If you are just starting to work, and are a new employee, and have to miss a day...., miss a few hours, even if you have a good employer, you don't know how that employer is going to see you as a person....You know, you are just starting out, just trying to get established...." (Miami mother)

**Taking time off can mean loss of income**

"The parent who works at let's say a slightly above minimum wage job doesn't have sick time....They need to lose a full day's pay to renew their voucher. So now they are facing, 'do I renew my voucher or do I pay my electric bill or my rent next month?'" (Boston provider)

**Taking time off can reflect poorly on parents at work**

"When it [my recertification] is in two weeks, I sit there puzzled thinking, I got to work that day. How do I tell my boss that I need off when I know we [her place of employment] are in high demand right now?" (Buffalo mother on TANF)

**Taking time off can mean loss of a job**

"If you do find a job and are working, you have to take off work every month*...every 30 days....Eventually when you are a single parent with kids, employers will not tolerate that, only so many times." (Tampa mother on TANF)

*The recertification period for families in Tampa can be longer than this. The stated policy is that parents have to recertify every six months. This mother's recertification period might have been shorter if, for example, she was in a short-term work activity. See chapter 3 for more information on this issue.

ardized their employment, which obviously undercuts the fundamental goal of child care subsidies. Respondents saw this issue as a deterrent that kept parents from applying for subsidies. In-person visits could also be particularly difficult for families who lack adequate transportation or who are in rural areas.

## Sites Varied in whether Parents Had to Wait for Long Periods before Seeing a Caseworker

In addition to having to come into the office, in some cases parents could not count on being seen on a timely basis. Local offices in our sites varied on whether they served parents on a first-come first-served basis (drop-in) or through appointments. Many parents talked about the difficulties of having to come on a first-come first-served basis. As a Tampa mother described,

> A lot of times it may not be on an appointment basis; you have to sign up on a list on a first-come first-served basis. The first time I went in for child care

> I had to go back two days in a row. I went in at 8:30 in the morning after I dropped off my kid in child care, and signed in. At 11:00 they were no longer taking anyone until 1:30. So at 11:00, I turn around and go home, come back in at 1:30 and sign in again....And the first day I went home [without being seen, because the computers were down that day], the second day I got seen at 3:30 in the afternoon. *[It is] almost like you have to be unemployed to be able to apply for all of these benefits, because if you were employed there would be absolutely no way the nicest employer would excuse all that time.* [emphasis added]

Or as one Jersey City mother explained,

> The office is supposed to be open until 4:00, and it is 3:00 and there are three people in there—they will stop taking people at 3:00....They say come back tomorrow. You missed work today and now you have to come back in the morning.

While many of the parents in our focus groups seemed to prefer being able to have an appointment, appointments were not always effective--particularly if

- Parents were not seen on time. Parents in some sites talked about waiting long periods because of backlogs even with appointments. A parent in El Paso said, "You get an appointment at 1:00 and you wait until 5:00."
- Parents could not make an appointment relatively quickly. As mentioned earlier, some parents reported having to make appointments months in advance; some reportedly faced two-month waits for appointments at one agency in Oakland, with another month's wait if they missed that appointment, and in Buffalo some parents reportedly faced waits of several weeks for appointments.
- The agency had no flexibility as to when parents could schedule their appointment. While we did not collect data on this issue across sites, one mother's experiences with appointments illustrates that lack of flexibility with appointments can be difficult for parents. When she wanted to apply for child care and set up her provider, the subsidy agency gave her only one appointment option and told her that if she could not make it she would have to wait a long time for another. This mother felt that "they [the local subsidy agency] don't try to work with you."

It is likely that many of the administrative issues discussed previously, such as high caseloads and lack of staff, were the reason some local subsidy offices were unable to have many appointment times available. These problems can make it challenging for parents to be able to comply with agency requirements to obtain or retain their subsidies.

## Sites Varied in whether They Were Open beyond Normal Business Hours

A number of parents described the challenge of having to deal with the subsidy office during the agency's office hours, which often coincided with the hours they worked. While we did not collect data on office hours systematically across our sites,[11] we

heard very few complaints about coming into the office from parents who worked with one of the offices we visited in Los Angeles—which was open until 7:00 p.m. during the week and was open on Saturdays. While extended office hours seemed helpful for parents trying to balance work and subsidy requirements, these additional office hours were not always as effective if they were only slightly extended beyond a 9:00 to 5:00 schedule (e.g., opening at 7:30 a.m. or staying open until 6:00 or 6:30 p.m.). This approach, which was common across a number of our sites, was not necessarily "practical" (in the words of one mother), because it failed to recognize the realities that parents faced in getting to and from work, getting their children to and from child care, and dealing with transportation or traffic.

Dealing with subsidy agencies only during regular office hours was a challenge not only for parents who had to come into the office, it also posed difficulties for parents who needed to reach their caseworkers by phone or fax. Parents reported this as being a particular problem in situations where they had trouble getting through to the agency, because it meant they had to take significant amounts of time away from their jobs during the work day.

Despite the importance of this issue for families, agencies may face challenges implementing longer office hours--such as staffing requirements, union rules, building rules, and other constraints that make this seemingly simple issue much more complex. But expanding office hours does not have to mean staying open late every night during the week or every Saturday. A respondent in Houston noted that since our site visit in 1999 the agency had been able to meet its clients' needs by being open one hour less each week day and only two Saturdays a month rather than every Saturday. This office's experiences with evening and weekend hours may be unique, however, because the vast majority of parents in Houston interacted with the office over the phone.

## Agencies Varied in Their Focus on Client Service and Access

Many of the issues described in this chapter are closely related to the broader issue of the extent to which an agency is focused on client service, which in turn is related to the general leadership and management of the agency. The importance of this issue is illustrated by the recent movement to "reinvent government," which has led to many public-sector reform efforts to make public and nonprofit organizations more oriented toward consumers (Kettl 1997; Osborne and Gaebler 1992; Osborne and Plastrik 1997). While we did not systematically examine these issues, respondents referred to customer service–related issues in many direct and indirect ways, and agencies seemed to vary widely.

Some local agencies appeared to be very oriented toward "client service" and seemed to work actively to improve access for parents. For example, in Houston the local subsidy agency appeared to be quite focused on answering the phones efficiently, thereby ensuring that parents could deal with most issues by phone. The Local Workforce Development Board (LWDB) in Houston, which contracted the subsidy administration to the local agency, was also focused on client service. Staff at the LWDB reported that they had been testing the efficiency of the service by pre-

tending to be parents and calling the agency to see whether the phones were answered, whether the people answering the phones were able to provide good information, and so forth. While not common in our sites, this focus on customer service did appear to result in a service that was more accessible to parents than many others, though parents did report some problems.

Some agencies in other sites—including some of the local Child Care Resource and Referral (CCR&R) agencies that had been contracted to provide services at some sites—also appeared to have a strong focus on client service. This was apparent in a number of ways, such as how they described their clients and efforts, in tangible practices such as office hours and materials, and how parents described their interactions. However, there were also agencies, including both some public agencies and some private agencies and CCR&R agencies, that appeared to have relatively little overt focus on the efficiency or ease of the service delivery from the parent's point of view.[12] The extent to which customer service was a focus also differed across agencies within a locality. In one ANF site where multiple local agencies administered the subsidy program, we found that one office contained well-trained staff who were committed to being family-friendly, while another office reportedly closed down during lunch and had staff with limited training and large caseloads.

The issues described throughout this chapter are related more broadly to the leadership of the local subsidy agency, because these issues play out in specific local agencies that have their own unique management and culture. This was most clearly illustrated in sites where we visited more than one agency, or heard about differences among local agencies in their approaches. A respondent in Seattle, which has multiple local agencies, reported, "I have been in a number of [local subsidy agencies]. Some are very orderly; people get in on time, have appointments. Others are just zoos, with hundreds of people milling around; you overhear conversations that [parents'] caseworkers are running two to three hours behind; there are children everywhere." We found similar differences in some other sites where we visited more than one agency, and in listening to the ways parents described their experiences with different agencies. The variation across offices within the same site also illustrates that implementing efficient and customer-friendly practices goes beyond resource availability. Strong local leadership and a service-oriented agency culture also play essential roles in how an agency is run.

## How Many Agencies or Subsidy Programs Do Parents Have to Interact with to Access and Retain Subsidies?

Another structural issue that could affect a parent's experiences with the subsidy system is the number of agencies parents had to deal with to access or retain their subsidy. This particularly affected TANF families and could add to the complexity of their interactions with the subsidy agency. This issue, while seemingly straightforward, is actually related to a complex set of administrative and structural factors. These include the number of *agencies* that administer subsidy programs at the state

and local levels, the number of subsidy *programs* that exist at the state and local levels, how states administer their child care subsidy system in relation to their TANF/employment system, and how state agencies set up their local administrative structure(s).[13] However, the bottom line from the perspective of the parents is the number of agencies or subsidy programs they have to interact with, and how these agencies coordinate in the process of getting and keeping subsidies.

In the ANF sites, there were two common ways in which families—particularly TANF families—could have to deal *directly*[14] with more than one agency or unit.

- Some families had to interact with two agencies or units *simultaneously* to get and/or retain subsidies. In our sites, this situation was most commonly found for families receiving cash assistance, because their eligibility for child care was dependent on their eligibility for TANF. TANF families in sites with separate TANF and child care agencies—a common administrative setup in a number of the ANF sites—often had to deal with the local agency that managed TANF as well as with the agency that managed child care subsidies, both to obtain their subsidy initially and to retain their subsidy through any subsequent changes, such as changes in hours of work or leaving welfare. Some of the sites that fit this model were El Paso, Houston, Tampa, Miami, and Boston. As described below, some of these sites colocated these services so as to minimize the difficulty for parents.
- Some families had to interact with more than one agency over time, or *sequentially*. This occurred when child care subsidies were administered by different local agencies, or where there were different subsidy programs, for families who fell in different eligibility categories. This was most commonly seen when there was one subsidy agency or program for families on TANF and another for families after they left TANF. In this scenario, TANF families would have to change agencies or programs when their eligibility status changed. Buffalo and Oakland were two sites where families faced multiple agencies, while in Jersey City and Minneapolis families faced multiple child care programs.

Our data suggest that the extent to which multiple agencies or programs presented a problem for families may depend in large part on whether the agencies worked to facilitate the parent's efforts to work with the two agencies or to transition between programs. Dealing with multiple agencies did not appear to be a major problem for the parents we spoke to in those sites where the different agencies communicated and coordinated their efforts, thus minimizing the burden on families.[15] For example, parents in El Paso described the process of dealing with the TANF and child care agencies simultaneously as fairly easy, because the welfare agency facilitated many of the child care subsidy interactions for parents in the Choices program (Texas's TANF program). In some other sites (e.g., Birmingham, Boston, Jersey City, and Miami), part of the process was colocated for at least some families—for example, with child care eligibility workers being stationed at some TANF/employment agencies to help parents with the application process.

Similarly, moving between agencies sequentially does not have to be problematic if the agencies help to facilitate the transfer. For example, some families—though not

all--in Buffalo who were with the Public Assistance Unit for their child care subsidies while they were employed and then moved to the Day Care Unit when they left welfare were able to get help from a special unit of caseworkers who were focused on helping with this transition.

In contrast, parents appeared to have a more difficult time if the local agencies did not facilitate client interactions. As is described later in the report, parents in some sites were responsible for taking paperwork and referrals back and forth between the agencies, and faced duplicative requirements. In these sites, we were more likely to hear about the challenges of dealing with multiple agencies, the frustrations and problems of trying to meet the requirements of both systems, and concerns about falling between the cracks.

Having to deal with multiple agencies or programs can also potentially be problematic where there are significant differences in policies and practices across agencies or programs within a single geographic area. When policies or practices do differ, there may be some inequities because families in similar circumstances may be treated differently. Different practices can also lead to some confusion across families, as was seen in our focus groups, where parents were sometimes confused when they heard about different policies in other agencies. While we did not examine this issue, it seems likely that this confusion could cause some parents to fail to comply with requirements because they do not understand them.

## Conclusion

Structural and administrative factors, while often overlooked, fundamentally shape the daily experiences of families with the subsidy system in both obvious and subtle ways. In doing so, these factors also affect the ease or difficulty with which families can access and retain subsidies. This chapter shows that these issues are complex. They vary widely in scope and nature—from issues such as local agency culture and leadership, to very detailed administrative decisions about caseworker roles and computer systems and office hours, to state-level administrative decisions about the number of agencies and programs available to families. This chapter also shows the interrelated nature of many of these issues.

The data in this chapter also illustrate both the challenge and the importance of looking beyond the initial concerns voiced by parents to try to identify the root causes of the problems they note. This is particularly difficult because any particular issue could have multiple causes—for example, a complaint of unresponsive caseworkers could be caused by high caseloads, inadequate phone systems, inadequate staff training, insufficient resources, and/or poor agency management and leadership. Agencies need to explore the complex set of reasons that might cause any particular set of problems before they recommend solutions.

One of the most challenging aspects of examining administrative and structural factors and the impact they have on parents is that they can vary so much across different local agencies. Our site visits demonstrated that two local agencies adminis-

tering the same subsidy program within the same community can provide extremely different services to families. While they may have similar policy and state administrative contexts, the way they implement the programs can make an enormous difference in how families experience the program. This suggests that paying greater attention to local implementation issues and agency leadership and providing guidance and resources to local agencies could make a difference in supporting families' access to and retention of subsidies.

It also suggests that it is essential to examine how local programs are working from the perspective of parents and caseworkers in that agency. Listening to clients and exploring how they experience working with local agencies is likely to provide the clearest picture of the impact of administrative and structural issues on families.

In addition to being important in and of themselves, the structural and administrative issues described in this chapter provide an essential context for the rest of this report. Subsequent chapters focus on what families have to do around specific interactions with the state--such as applying for subsidies initially and then retaining them as they go through various transitions. The issues described in this chapter affect how families experience each of these interactions, and should be kept in mind throughout.

# Chapter 2. Initial Access to the Child Care Subsidy System

One of the first issues that can affect the utilization of subsidies is the process for entry into the subsidy system. Parents need to go through an initial authorization process to receive subsidies, which usually includes three steps: application, finding a provider, and provider approval. The ease or difficulty of this process can affect how parents experience this process and also—according to our respondents—can act as a deterrent to parents who may want to apply. Providers in one site noted that parents may not apply for subsidies because the application process is difficult: "There is lots of paperwork, and parents have to take a day off from work and have to go stand in line [at the subsidy office]."

While the process of entering the subsidy system varied across our sites, in order to receive subsidies parents generally needed to contact the subsidy agency (by phone, by mail, or in person), complete an application, and provide paperwork to prove they were eligible for subsidies. Once found eligible (assuming funding was available), the parents would then go through the process of getting their provider approved so that payments could begin. Parents who did not know which provider they wanted to choose would also need to go through a process of finding a provider, which may have involved getting help from the caseworker and/or the resource and referral office. The order of the steps varied; some parents might go through the process of finding a provider before they applied for subsidies, for example.

Some parents seemed to find entering the subsidy system relatively easy (one parent noted that the application process involved "just little simple stuff; it wasn't asking too much"). However, information from other parents suggested that a number of issues at each step in the process could make it more difficult—particularly around in-person visits and paperwork requirements, as well as many of the issues outlined in chapter 1. Note that because we did not speak with the parents who did *not* access the subsidy system, the extent to which these issues present a barrier to access may be underestimated.

These processes—particularly the application and approval processes—serve important functions for state agencies. The application process allows the subsidy agency to get the information it needs to determine a family's eligibility, establish the appropriate amount of the subsidy, and meet federal reporting requirements. Subsidy agencies can also use the process to make sure that parents understand the rules they must follow and to talk to parents about their child care options. The provider approval process is necessary because it allows the agency to set up the payment agreement with the provider, make sure the provider understands the payment process, and ensure that the provider meets the basic health and safety requirements for funding.

Local subsidy policies and practices have the most direct impact on access to subsidies in the application and provider approval processes, but they can also affect a parent's experience in finding a provider. This chapter focuses on all three of these steps and their implications for access to subsidies. In particular,

1. What do parents need to do to apply for subsidies?
2. How does the process of finding a provider affect a family's ability to access subsidies?
3. What do parents need to do to get their provider approved?

## What Do Parents Need to Do to Apply for Subsidies?

Parents first need to apply for subsidies to enter the child care system. This application process varied across the ANF sites. Generally, the parents needed to contact the appropriate agency and present the required paperwork to prove they were eligible. However, the form of contact required (in-person visit, telephone, mail) varied, as did the paperwork requirements.

### Some Sites Required Parents to Apply in Person

The application process is often the first point of contact between families and the subsidy system, and in many of our sites it required an in-person visit. For states, face-to-face meetings can be a way of ensuring that the process is completed quickly and families receive the information needed about subsidies and child care. For parents, though, in-person visits can be difficult, particularly for parents who need to make multiple sequential visits to the subsidy or TANF office.

The most common practice among the ANF sites (occurring in 12 of 17 sites) was to require all or some parents to apply in person. Specifically, seven sites[16] required all parents to come to a local agency to apply in person, another three sites (Denver,[17] Jersey City, and Boston[18]) required only parents on cash assistance to apply in person, and two sites (Buffalo and New York[19]) required only parents who were not on cash assistance to apply in person. These sites also varied in whether parents needed an appointment or could just walk in to apply. As noted in chapter 1, there were pros and cons to both of these approaches, with each having the potential to delay the entry process, depending on how it was implemented. Delays in getting the appointment, though, can result in more lengthy delays in the application process. For example, some parents in Oakland and Buffalo had to wait several weeks for an appointment to apply for subsidies.

The remaining five sites[20] allowed all parents to apply by mail/phone, although this did not mean that parents always did so. Many parents *did* use this option—96 percent of parents receiving subsidies in the Gulf Coast workforce area (which includes Houston) access services by telephone (Neighborhood Centers, Inc. 2000). Respondents in other sites (Seattle and El Paso) reported that many parents would apply in person even if they did not have to. A variety of reasons were given, includ-

ing that the parents believed they could only apply in person, did not feel the agency would be responsive unless they came in person, or simply preferred to come to the office in person. As a consequence, face-to-face visits were required for a majority of sites, and they occurred for some parents in other sites as well.

TANF families often faced an additional layer to the application process: they had to deal with two systems to access subsidies, which sometimes necessitated additional in-person visits. Because their eligibility for child care depended on participating in a work activity for TANF, most parents on cash assistance in the ANF sites were required first to go to the welfare/employment office to establish their eligibility for child care assistance, and then to apply for child care. In most sites, families needed a referral[21] from the welfare agency to get child care subsidies, but the ANF sites differed in whether parents on cash assistance had to visit multiple offices or caseworkers in order to complete these processes, or whether it was facilitated in some way.[22]

- In two sites,[23] TANF parents had to make two separate visits to two different offices because the child care and welfare offices were in separate locations. If these interactions are not coordinated or facilitated by the agencies—by coordinating paperwork requirements, having extended office hours and efficient services, and so forth—they can be problematic for parents. A mother in one site said, "It's basically like you're signing up for welfare again and it's the same hassle that you go through there [at the child care office]. So not only do you have one case manager, you got two of them [caseworkers] you gotta be dealing with."
- Another six sites[24] dealt with these issues by colocating at least some of their child care and TANF functions into a single location, though these sites varied in terms of the following:
    - *How many TANF offices in the site had colocated child care services.* For example, in Jersey City TANF child care services were colocated at the TANF office, so all TANF families had access to child care services when they went to the TANF office. In Los Angeles only some of the TANF offices had colocated child care services.
    - *Which child care functions were colocated.* In Jersey City and Birmingham, for example, the child care caseworkers stationed at the TANF office handled all of the TANF parents' child care issues (e.g., application and ongoing maintenance). In Miami's one-stop offices, only the child care application could be processed.[25] Parents still had to go to the child care agency for other child care subsidy issues.
    - *When child care services were colocated.* While in most cases families could access the colocated services at any time the offices were open, in Boston child care caseworkers were outstationed at local TANF/employment offices only on a designated number of days in the week.

While colocation appeared to simplify the process for those parents using these services, it seemed less effective if the colocated services were not accessible to all TANF parents or if the services were not also *coordinated.* A respondent in Miami

reported that although there were one-stop offices where a parent could visit both the TANF and child care workers at the same location, parents still had to make appointments with both caseworkers. And because they could not necessarily make back-to-back appointments, some parents still had to make two visits to complete the process.

- In two sites—Minneapolis and Seattle—the subsidy offices we visited did not require that parents receiving cash assistance contact the child care system in person, and instead allowed them to apply for child care subsidies by mail. This can make the process simpler if parents trust the system. Again, though, caseworkers and parents in Seattle noted that many parents would actually do the process in person due to some of the trust and agency management issues outlined in chapter 1.
- In six sites,[26] parents receiving cash assistance could apply for subsidies through their welfare office and have the TANF caseworker help them complete the child care subsidy application process. This approach seemed to work well in some situations. For example, TANF parents in El Paso described the process as being relatively easy for them because, in the words of one parent, the welfare office walks "hand-in-hand" with the subsidy office and provides a "safe zone" for TANF parents. However, there is the potential that a single caseworker handling multiple services could be a problem if the caseworker lacks the specialized knowledge about child care needed to help parents navigate the child care system.

Ultimately, each of these approaches has the potential to serve TANF parents well, depending on how they are managed and implemented. The extent to which each approach is problematic depends on many factors, including the responsiveness of caseworkers, office hours, and coordination between the TANF and child care offices.

In sum, it was common for a parent to be required to visit the office in person to receive subsidies, though the total number of visits a parent had to make initially to get a subsidy varied across our ANF sites. For example, families receiving cash assistance in Milwaukee who already knew the provider they wanted to use and had all the paperwork required when they applied could complete the application/approval process in one visit. In Tampa, a similar family could be required to complete two visits to apply for subsidies (one to the welfare office and one to the child care office) and additional visits to the provider and child care office to get the provider approved. In other sites, parents were not required to have any in-person visits, and instead could complete all of the processes by mail, phone, or fax.

## Parents Need to Provide Subsidy Agency with Paperwork

Across the ANF sites, when parents applied for subsidies they were generally required to complete paperwork and provide documentation to the subsidy agency. From a state's perspective this paperwork and documentation can verify information about the family, ensure that the family is eligible, and also provide the information neces-

sary to comply with federal reporting requirements. For parents these requirements can be more or less difficult depending on the amount and type of paperwork needed.

Parents were usually required to fill out an application for child care subsidies, though some sites such as New York City and Boston did not require an application from parents on TANF. Generally, the complexity of the application form depended on a number of factors—the types of questions asked, the length of the application, and the accessibility of the language and the format—as well as the extent to which caseworkers assisted parents with filling out the application. We found that sites varied in the number of functions the application form played. In some it was only for child care subsidies; in others, such as Wisconsin, there was a universal application that enabled a parent to apply for child care and other services.

In addition to the application, parents needed to provide the subsidy agency with documentation. The type of documentation required varied across sites but tended to fall into the following categories:

- **Income/employment verification:** To verify income or employment, parents in our sites generally were required to provide pay stubs, proof of other income, and—to a lesser extent across our sites—employment verification. For those parents who did not have pay stubs, some sites (e.g., Jersey City, Seattle) allowed parents to get letters from their employers with information about wages, while parents in school might have to provide documentation of their class schedule (e.g., Los Angeles, Jersey City, San Diego, Houston). Some sites (e.g., El Paso, Jersey City) also required parents to present documentation of other income, such as child support payment stubs and Social Security income. These paperwork requirements were also linked to state/local eligibility policies on what income was counted to determine eligibility and whether parents were required to comply with other requirements.
- **Verification of parent/child identity:** Another common piece of information required across our sites was verification of both the parent's and the child's identity. This often meant producing a driver's license (e.g. Denver, Los Angeles), birth certificates for the children (e.g., Miami, El Paso), or Social Security cards (e.g., Miami, El Paso, Denver). Immigrants might also need to produce their alien registration card (e.g., Denver).
- **Other documentation requirements:** In some ANF sites, additional documentation was required. Parents on cash assistance often had to get a referral from the welfare office. Some sites required parents to produce documentation proving their receipt of TANF—Jersey City required parents on cash assistance to produce their Aid to Families with Dependent Children (AFDC) or Families First Card. Some sites asked parents to supply information about medical immunization of their children (e.g., Los Angeles), their divorce decree (e.g., Minneapolis[27]), proof of child support order (e.g., Detroit), or proof of residence (e.g., El Paso).

While these documentation requirements were not always problematic for the parents we spoke with, respondents across our sites voiced a number of concerns

about paperwork. In particular, the number of types of documentation required can add to the complexity of the application process. The ANF sites varied in the number of documents required, suggesting that it may be possible to get the necessary information from parents with fewer pieces of paperwork. In addition to filling out an application, non-TANF working parents in Jersey City needed to provide only one month's pay stubs and child support pay stubs. In contrast, El Paso parents were required to provide eight different pieces of documentation (proof of residence, Social Security cards, birth certificates, one month's pay stubs, food stamp/Medicaid eligibility letter, proof of child support, proof of any other income, and school attendance verification for each child younger than 18). The number of pay stubs needed to prove income level varied as well, with some sites (e.g., Boston and El Paso) requiring as few as three weeks[28] of pay stubs and other sites (e.g., Detroit and Seattle) requiring as many as three months of pay stubs, which for parents who get paid weekly could mean having to present as many as 12 pay stubs. Some respondents also noted that paperwork requirements can be more difficult for parents who do not speak English and for those who are unable to read or write.

Also, certain types of documentation can be more difficult for parents to obtain.

- In some sites (e.g., Minneapolis, Oakland, and Denver) parents needed to complete an employment verification form, which required an employer's signature, though respondents in Minneapolis reported that the subsidy agency was flexible with this requirement, allowing parents to provide other forms of income and work schedule verification, such as time cards, pay stubs, and letters from employers. Depending on how they are implemented, these requirements can create an additional layer of paperwork, be difficult for parents to obtain, and slow down (or possibly derail) the process. For example, respondents in Minneapolis noted that some employers were not willing to verify employment.[29] In addition, parents may be uncomfortable letting their employer know that they are receiving public assistance in any form. One parent in Oakland said she "found [getting the employment verification] very challenging to do it in a way that respected my professional life," while another parent said, "It's like letting [your employer] know you're getting help—you may not be that comfortable to do that. I don't want people to know my business."
- Some sites required that parents have a child support order in effect (e.g., El Paso and Detroit) or were cooperating with the child support agency to establish an order (e.g., Minneapolis) before the family could obtain child care subsidies. Unlike other issues mentioned above, this requirement is actually a substantive eligibility requirement for families to receive subsidies. While this requirement is often a reflection of the state's interest in maximizing the income available to the child, and increasing the proportion of noncustodial parents who are paying child support, respondents in our focal sites were concerned about linking it to child care. In particular, respondents suggested that it might actually deter some parents from applying for assistance because they were concerned about its impact on the family. While there is not extensive research on this issue, a recent study in Pennsylvania suggests that implementing child support requirements resulted in a drop in families accessing child care assistance (Philadelphia Citizens

for Children and Youth 2000).

Finally, an additional wrinkle in the application process was that localities may require *original* documentation for all of these requirements. The local agency in Jersey City required all applicants to provide only original (no photocopies) documentation, including pay stubs, child support pay stubs, AFDC/Family First Card, and employer verification or school verification forms.[10] This requirement was in place to reduce fraud. While the parents we spoke with in Jersey City did not feel that the application process was difficult for them, it is possible that this requirement could cause difficulties for some parents depending on how readily available the original documents are for them and how comfortable they are with mailing these documents to the subsidy agency.

While documentation requirements could slow the application process for families, some sites had developed policies that allowed families to start their subsidies before eligibility was formally verified. In Houston the subsidy agency had a policy of presumptive eligibility, which meant that the agency would tentatively approve the parent for the subsidy based on the parent's reports of income and other eligibility information, so the subsidy could begin immediately. This process allowed the agency to move forward without having to wait until all the paperwork was obtained. Minneapolis had the expedited care program, which was used for families that require immediate authorization for care. With expedited care, the caseworker could authorize up to 30 days of care without the required verification, so that parents could begin receiving subsidies quickly.

## How Does the Process of Finding a Provider Affect a Parent's Ability to Access Subsidies?

The process of finding a provider is also an important step for many parents entering the child care system. While our respondents suggested that a number of parents (particularly low-income working parents who are not on cash assistance) may already know which provider they would like to use, other families needed to go through the process of finding care. The ease or difficulty of the process can affect parents' ability to accept or retain their jobs and the likelihood that they will be able to get and retain subsidies. Some respondents believed that parents who make a hasty and uninformed decision about child care were also more likely to change providers later. This can jeopardize their employment and also be difficult for their children (see chapter 6).

While many factors that affect the ease of finding a provider are not directly related to the subsidy system policies and practices (such as the overall supply and cost of care), there are some subsidy policies and practices that can make this process easier or more difficult for families. These policies and practices center around two issues: those that shape the counseling and information given to parents about child care and those that affect the willingness of providers to serve families receiving sub-

sidies. Though not the focus of this report, these issues are worth describing briefly because they can influence the complexity of the entry process for parents.

In all of the ANF states, there was some procedure in place as part of the application process that provided the recipient with assistance in finding care. This assistance usually involved providing parents with information about what to look for in their child care provider and providing referrals to specific providers. Sites varied in the extent to which they used these approaches. In some sites, at least some parents were given in-depth counseling on their child care options (as was an option for parents in Birmingham); in others they were simply given a list of possible providers.

In our sites, the quality and accessibility of the information was important for parents wanting help looking for a provider. The quality of the referral lists in particular was an important issue for many parents. Parents who spoke about this issue generally found referrals more helpful when they contained specific information about providers or if lists were narrowed by ZIP codes. For example, some parents in Minneapolis and Los Angeles reported that the referrals they received from the agency were very helpful because they included useful information about each provider (e.g., whether the provider smoked, the ages of children accepted). The referrals were less helpful in cases where parents were given a limited number of referrals, the provider lists contained too many names with little help in narrowing them down, or the list contained providers with no vacancies.

The accessibility of the information on finding child care was also important. In many sites (e.g., Birmingham, Boston, Los Angeles, Oakland, San Diego, and Minneapolis) a child care resource and referral (CCR&R) agency administered all or a part of the subsidy program locally, making it easier for families to get child care information in the process of applying. In California, while local CCR&Rs often administered the subsidy program through subsidy contracts, state regulations also mandated that CCR&Rs should be colocated in or near the welfare offices or arrange other means of swift communication with CalWORKs (the state's welfare program) parents and case managers. In some cases, CCR&R staff were located at the welfare office, and in other areas of the state colocation was achieved by having a dedicated telephone line to the CCR&R from the welfare office. In contrast, in other sites (e.g., Denver and Houston) parents had to make an additional set of calls or visits, or had to wait longer in the child care subsidy office, for this information. A mother in one of our Florida sites noted that she had to wait in the child care office for more than an hour to get the referral list. These additional calls or visits can make it more challenging for parents trying to find a provider.

In addition to the information families receive about care, there are policies and practices that can affect the willingness of providers to serve families receiving subsidies. While families of all income levels may find it challenging to find the quality and type of care they want, our respondents reported that families receiving subsidies can face additional barriers because they are receiving subsidies. Specifically, in almost all sites, parents and providers noted that there were providers who either did not accept subsidies or limited the number of children receiving subsidies they accepted. In these cases, finding a provider may be more difficult for parents.

## What Do Parents Need to Do to Get Their Provider Approved?

Once parents have applied, have been found eligible for subsidies, and know the provider they want to use, they need to complete the process of getting their provider approved. This process is important because it establishes the payment agreement[31] with the child care provider and ensures that the provider meets the relevant health and safety requirements under federal or state law.[32]

The ANF study sites varied in how much the parent was required to do in this process. In Denver the process was designed to be dealt with primarily by the caseworker and the child care provider. A number of other sites[33] required that the parent physically transfer the materials from caseworker to provider, necessitating additional parent visits and time. And in some cases the parent was expected then to take the application materials back again to the caseworker—as was required of some parents in Tampa[34]—which required another visit to the agency or a minimum of three separate visits for parents to complete the application and approval process.

As for paperwork requirements, in most of our sites[35] the parent and the provider needed to complete some sort of approval form before subsidies began. The name of this form varied by site; it was sometimes called a "certificate" or "authorization." It generally detailed relevant subsidy information, such as the authorized number of hours of care and how much the provider would be paid. Respondents in several sites noted that the paperwork and logistics involved in the provider approval process can discourage parents from actually getting subsidies, particularly if the provider is unwilling or unable to go through the process. A mother in one site, wanting to use her sister for a provider, said that her sister "looked at the forms and said it is just too much of a hassle."

The provider approval process could also involve additional requirements if the parent chose a license-exempt provider or one that was new to the system, because the state would need to take steps to ensure that the provider met any health and safety requirements. This issue is important in both protecting children and ensuring that public funds are not being spent on dangerous or inappropriate care. Some sites (e.g., California and New York sites) required license-exempt providers to complete additional paperwork to ensure they satisfied health and safety standards. In our California sites, parents and license-exempt providers were also required to visit the office as part of the provider approval process.[36] In addition, in some sites (e.g., Minneapolis and New York City) providers new to the system had to go through a registration process to set up the provider agreement, regardless of their licensing status. These issues will be discussed more in future papers, but they are worth noting here because the provider approval process may also affect the likelihood of parents continuing in the system.

In looking across the three steps parents had to complete before they could enter the subsidy system, another issue for parents in our sites was how long it took to complete them. Although it was difficult to get an accurate sense of how long these

processes took, there were some instances where families faced delays. Some of the delays stemmed from issues that parents had some control over (whether they had all their paperwork, whether they already had a provider, whether they could find a provider). However, respondents across our sites also noted that inadequate staffing and general backups in processing applications could lengthen the initial entry process for families. Across sites, we found that the length of time needed for the agency to complete the process could be as little as less than a day or as long as three months. As noted earlier in this chapter, some sites have developed presumptive eligibility or expedited processes that can help reduce the time it takes for a family's subsidy to begin.

## Conclusion

Initial entry into the child care subsidy system is an essential part of access to subsidies. The relative ease or difficulty of the process is critical in shaping the utilization patterns of low-income parents. This chapter has examined the entry process in terms of the policies and practices at each of the individual steps. The cumulative effect of what a parent is required to do across these steps also shapes the ease or difficulty of the parent's experiences.

This chapter highlights a number of situations, such as multiple in-person visits, extensive documentation requirements, and lengthy approval periods, that could make the initial entry process more difficult for parents. Taken together, the complexity that is involved in the application/approval process can make it more challenging for parents to access child care subsidies, perhaps even more so for low-income working parents because it can mean taking time off from work to apply. These parents may be forced to make difficult tradeoffs between working and receiving subsidies. As one provider noted, "Some of them [parents] have pride, some of them want to pay you out of their pocket because they don't want to go through all of the paperwork you have to go through. And they have to constantly leave work because they have to go down there [to the subsidy office] for their review. And they say 'to heck with it,' I can't keep taking off [work] to go down there."

At the same time, this process could be made less complex for parents. Some of our sites had implemented policies and practices—such as mail or fax application options, the coordination of TANF/child care systems, and presumptive eligibility—that seem to minimize the challenges for families entering the child care system.

# Chapter 3. Retaining Assistance during the Recertification Process

Across the ANF sites, once families entered the child care system they were required to prove to the state regularly that they were still eligible for child care assistance. In all of our sites, families would lose subsidies if they did not go through this eligibility "recertification" process, though the process itself varied across sites. While the perception is that once families are in the system they can stay in, in reality child care subsidies are a series of time-limited authorizations for child care assistance that expire unless parents prove that they are still eligible for assistance.

The eligibility recertification process—also called the reauthorization or redetermination process—is central to parents' ability to retain their child care subsidy once they begin receiving assistance. It affects all families, regardless of whether they experience any change in circumstance (such as leaving welfare, changing jobs, or getting a raise). From the state's perspective, the recertification process is essential because it is how the agency assesses any changes in the family's eligibility and income, thus ensuring that a family remains eligible for subsidies and is paying the correct portion of the cost of care. But how this process operates can make it more difficult for parents to retain their subsidy. Caseworkers across our sites reported that failure to recertify eligibility was one of the main reasons families lost their child care assistance, although it is not clear whether these families were always still eligible.

This chapter provides an overview of the recertification process across our ANF sites and focuses on the following three questions:

1. What do parents have to do to recertify eligibility?
2. How often do parents have to recertify?
3. How can state and local agencies facilitate the recertification process for parents?

## What Do Parents Have to Do to Recertify Eligibility?

The recertification process requires that parents prove they are still eligible for subsidies. However, this process varied across sites in what parents needed to do, what paperwork they needed to provide, and how this process differed for families who were on welfare.

## Sites Vary in whether Parents Have to Recertify Eligibility in Person

Recertification is another process where in-person visits may be required. It is particularly challenging because at this point parents are usually employed or in a work activity, so in-person visits can mean that they are regularly required to rearrange their work schedule to recertify. A number of ANF sites required some or all parents to come into the office to recertify. In particular, four sites required in-person visits of all parents (San Diego, Los Angeles, Oakland, and Miami[37]), one site required at least one in-person visit per year (Birmingham[38]), and three sites required at least some parents to recertify in person (Tampa, Boston, and New York City[39]).

In the remaining ANF sites,[40] parents could recertify without coming into the agency. Most often these parents were allowed to certify by mail, but some agencies allowed parents to fax in information (as is allowed by some caseworkers in Seattle) or to recertify by phone (El Paso[41]). In addition, two sites allowed parents using providers with traditional contracts to recertify at their provider.[42] Although all of these sites provided alternative methods for recertification, parents and caseworkers in many of these sites noted that parents would frequently still come in to the office, often for many of the reasons discussed in chapter 1 (lack of responsiveness by caseworkers, distrust of agency in processing paperwork, etc.). Given the implications for parents if the paperwork is not correctly received and processed—that they can lose their subsidy—there would seem to be a large incentive for parents to handle this process in person.

## Paperwork Requirements for Recertification Vary Widely as Well

Eligibility recertification also requires parents to submit paperwork to document that they are still eligible for child care subsidies. While child care subsidy agencies need a certain amount of paperwork to ensure eligibility, an overabundance of documentation requirements can make the recertification process more difficult and frustrating for parents, as well as potentially more time-consuming and burdensome for staff.

In most of the ANF sites, parents had to fill out a form and document their income, which often meant providing a certain number of pay stubs. However, in some sites the process was more complex and also required parents to take additional steps, such as completing an employment verification form,[43] providing verification about child support, or (in at least one site) providing the parent's Social Security card and the children's birth certificate each time they saw a worker. This documentation could be difficult for parents to obtain—for example, some parents noted that requesting employer verification could place them in the difficult position of having to let their employer know they are receiving assistance. Also, requiring parents to bring in the same information repeatedly, particularly when it is information that is not likely to change (such as Social Security cards or birth certificates), could be frustrating for parents. A parent in Texas noted that sometimes she could see the required documents in the file already and that sometimes the caseworkers did not even look at the documents she brought in. She felt, though, that if she ever forgot this documentation she would not be able to recertify at that time.

In addition, parents who do not bring in the right paperwork may have to come back to the office to recertify sooner, which can be problematic for them. A respondent in Florida noted that parents "think it is too much trouble and aggravation to keep on coming in every six months....A lot of times they'll come in and maybe only have two check stubs, so then they have to come in again within two months."

## Parents on TANF Can Face an Additional Layer of Requirements

Parents receiving cash assistance may deal with an additional set of requirements and paperwork during the recertification process because it generally requires the child care agency to ensure that the parent is still eligible for child care from the perspective of the welfare agency. These additional requirements can make it more difficult for parents. As one respondent in Florida discussing the recertification process for TANF families noted,

> A WAGES [Florida's TANF program] family, they go to their AFDC worker [the worker that handles food stamps and other services] because they're misinformed, but that is the wrong worker. So they have to make another appointment, because even though they are already in the welfare office, they are with the wrong person. So they have to make another appointment with their WAGES worker to get a referral. Then you have to make another appointment with child care to get the day care.
>
> So they [parents] say it is too much...and then, not only that, but if they are in training, then they have to make an appointment to go down to where this training is at....Then they have to take off another day to get their bus card. If they are lucky enough to get a job, they have to keep on taking time off [to get their eligibility redetermined]....That is the purpose of the WAGES program, to get parents a job so they can get off welfare, but if they lose their job...a lot of times they get fired, lose their job.

The ANF sites varied significantly in how they handled this issue. In some sites, parents on cash assistance had to visit both the TANF and child care offices separately, deal with additional paperwork, and take the documentation from one office to the other. In Boston, Miami, and Tampa, for instance, parents receiving cash assistance had to get an authorization for subsidies from the welfare office before they were recertified for child care subsidies. In these sites, lack of coordination between the two systems sometimes meant that parents were producing the same documentation for both offices. In Boston, reportedly these difficulties sometimes resulted in gaps between authorization periods for parents. These gaps could occur in cases where TANF caseworkers gave their clients a child care reauthorization only a short time before the previous voucher expired, not realizing that parents often had to make an appointment with the child care agency for recertification three or more weeks in advance. In these cases, the vouchers could lapse, resulting in a temporary loss of subsidy and sometimes a loss of the child care arrangement. Providers did note that some caseworkers would back-date the new vouchers so parents would not have a break in subsidies, although it was not clear how widespread this practice was and whether it was consistent with agency policies.

At some other sites, parents on cash assistance did not face additional challenges to recertify their eligibility for child care. Some local agencies played a stronger role in facilitating the transfer of information between the TANF and child care staffs. For example, parents receiving cash assistance in Denver, El Paso, and Houston were able to recertify eligibility for child care subsidies through their welfare/JOBS worker, who made sure that the child care staff received the appropriate information.[14] In Detroit, families on TANF dealt only with a single caseworker who handled child care, welfare, and other services.

Another approach used to streamline this process for parents was to minimize duplicative requirements between TANF and child care systems. Some sites were examining ways to coordinate documentation requirements between different agencies. In Tampa and Miami, for example, administrators from different social service offices were discussing ways to cut down on duplicative information requests for parents by the different agencies.

## How Often Do Parents Have to Recertify?

In addition to what parents have to do during recertification, *how often* they have to go through this process can also affect the ease of retaining subsidies. From a state's perspective, requiring recertification more frequently can maximize the accuracy of the subsidy, though it can also require more organizational resources. For parents, depending on the complexity of the recertification process, frequent recertification can ultimately become the friction that causes some parents to drop out of the system, particularly if it means repeatedly taking time off from work to go to the subsidy office.

The length of the recertification period can also have implications for the child. Child care providers in one site mentioned that having a short authorization period can mean that a child is in and out of care because delays in the recertification process mean there is not always a smooth transition between authorizations. This means that recertification policies and practices can also disrupt the child's care arrangements and affect the child's well-being. Unstable child care arrangements, in turn, can also jeopardize the parent's ability to keep on working.

The ANF sites varied in the length of the recertification period, which is not surprising given that there are no federal requirements specifying how often families need to recertify for subsidies (Greenberg et al. 2001). There was also often a significant difference between the reported policies on the length of the recertification period and how this was actually implemented. From the *policy* perspective, the maximum recertification period in the ANF sites ranged from every 3 months to every 12 months, with the majority of the sites requiring recertification at least every 6 months (table 3-1). A number of sites had different recertification periods for families receiving cash assistance—both Milwaukee and Houston had shorter recertification periods for these families, while Denver and Detroit allowed these families to have longer periods before their eligibility was recertified. In addition, in one site—

**Table 3-1. Policies on the Maximum Length of the Recertification Period in ANF Sites**

| At least every 3 months | At least every 6 months | At least every 12 months |
|---|---|---|
| Houston (TANF only)[a] | Birmingham | Los Angeles |
| | San Diego (some offices) | Oakland |
| | Denver (non-TANF) | San Diego (some offices) |
| | Miami | Denver (TANF only) |
| | Tampa | Detroit (TANF only) |
| | Boston | Jersey City |
| | Detroit (non-TANF) | New York City (some families with ACD)[b] |
| | Minneapolis | |
| | New York City (HRA)[b] | |
| | El Paso | |
| | Houston (non-TANF) | |
| | Seattle | |
| | Millwaukee[c] | |

*Note:* This period could be shorter in practice depending on the family, the circumstances, the caseworker, or the local office.

[a] The recertification period for TANF families in Houston was determined by the Choices (TANF) caseworkers and was generally three months.

[b] In New York City, the Agency for Child Development (ACD) generally recertified families annually, but it depended on the reason for care. For example, parents looking for work had a shorter authorization period (six months), so they recertified more frequently. A respondent noted that in the Human Resources Agency (HRA, the agency that handled subsidies for the majority of the TANF families), the recertification period was generally six months but could be as short as three months.

[c] Respondents in Milwaukee said that families on cash assistance would recertify for child care every three to six months.

San Diego—the recertification period varied from six months to one year, depending on the local agency.

In *practice*, however, respondents across ANF sites indicated that families may have to recertify more often than stated in policy. In some instances, certain families could face a recertification period of less than one month. A number of factors affected whether a family faced a shorter recertification period than was indicated in policy, including the following:

- **Families whose circumstances change frequently:** In many sites the recertification period was shorter for families who experienced frequent changes that could affect their eligibility. Parents who changed jobs very often, had a series of temporary jobs, or were in education programs often had a shorter recertification period. This procedure often affected TANF families more than non-TANF families because these parents tended to have more short-term or unstable work-related activities—job training programs, job club, job search, and so on. In Jersey City, for example, caseworkers noted that families receiving cash assistance needed to recertify at the end of any work/training activity. Given that these activities lasted for about four weeks, these parents could have to recertify on a monthly basis.
- **Families who do not accurately report changes in circumstances:** Caseworkers in some sites (Birmingham, Detroit, and Buffalo[15]) noted that they required



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parents to recertify more often if they found that a parent failed to report changes such as marriage or an increase in income. Some caseworkers saw the failure to report such changes as fraud and believed that shorter recertification periods allowed them to keep a closer watch on a parent's status to ensure that they could detect problems.

- **Caseworker discretion:** The discretion of individual caseworkers was one of the most important determinants of how often families had to recertify, and it is related to both of the preceding issues. It is the caseworker who determines whether a family's situation is less "stable" or whether a parent has not reported changes, and who determines whether a family needs to be tracked more closely. One caseworker we spoke with noted that if "something fishy is going on," caseworkers in that site can call a parent in "any time they want to." A caseworker in another site echoed this, saying that "we could make them [parents] come in every month if we wanted."

Given these factors, although it may seem the family needs to recertify once or twice a year, in practice a number of families experience shorter recertification periods. From the state's perspective it seems logical to adjust the recertification period based on a family's situation to ensure the accuracy of the subsidy or to minimize fraud, even though the extra staff costs of frequent recertification may not be cost-effective. However, shorter recertification periods can also be challenging for parents. A parent in one site, discussing the fact that her recertification period was recently lengthened, noted that parents can get frustrated with frequent recertification because "you don't want to take the time off [from work]. So, stretching it out to six months helped out a lot of people who don't want to go so often." Short recertification periods are a particular concern given the fact that frequent recertification may be particularly common among families who have the most stress and the most difficulties balancing work and family responsibilities.

## How Can State and Local Agencies Facilitate the Recertification Process for Parents?

Local agencies can smooth the recertification process for families in a number of ways. Some of these are clear from the issues outlined above—they include allowing recertification by mail/phone, offering evening and weekend office hours for parents who need to come into the office, limiting paperwork to the most essential items, allowing parents to make appointments, and lengthening the recertification period.

There are also some other ways agencies can ensure that families recertify. Identifying ways of assuring parents that the paperwork is received—for example, by sending parents a receipt—and taking steps to ensure the efficiency and effectiveness of caseworkers would help build parents' trust of their caseworkers and could help to minimize unnecessary in-person visits. This could work to reduce costs from an agency perspective as well. Other strategies employed by local agencies include:

- Some local agencies reminded parents by sending out recertification packets[46] in advance (e.g., Denver, Tampa, Buffalo, and Minneapolis), or sent reminder notices to parents (e.g., Miami,[47] Birmingham, Milwaukee, and Boston).
- Some local agencies facilitated this process by notifying *providers* of the redetermination deadline, because of the important role that providers play in helping parents remember and fulfill the redetermination requirements (e.g., Birmingham and Milwaukee).[48]
- Six sites[49] provided a grace period[50] for parents who missed their recertification, giving parents additional time to recertify before the termination process started. Parents in these sites were given between 10 days (Tampa and Buffalo) and 60 days (Miami) to submit all recertification documents. San Diego caseworkers took a slightly different approach. They sent three notices to parents, followed by a notice stating that they would terminate the subsidy in 14 days if the parent failed to respond.

These strategies work only if they are implemented effectively. Parents and providers in a number of our sites reported that they did not always receive notifications or received them late. While there are many situations where these notifications may not have been received for reasons beyond the control of the subsidy agency (e.g., parent/provider's address changed, notice was not read, parent/provider may not remember notice or misplaced it), agencies need to examine their notification process to ensure that notices are sent out on time and addresses are kept current. It is also important to consider whether written notifications are an effective way to communicate with parents and providers with low literacy skills or those whose primary language is not English.

## Conclusion

Recertification plays an important role for the state agency in ensuring that a family remains eligible for subsidies and that the subsidy amount is appropriate. This process affects utilization patterns for families because all parents go through it and their ability to remain on subsidies is dependent on completing it. Local respondents in many sites noted that failure to recertify was one of the most common reasons for termination of subsidies. Not surprisingly, parents discussed the recertification process as a critical one for their ability to retain subsidies.

The impact of the recertification process depends on the cumulative effect of the issues examined in this chapter—what parents have to do (e.g., in-person visits, paperwork requirements), how often they have to do it, coordination of child care and TANF systems—as well as the issues described in chapter 1 (treatment of families, responsiveness of caseworkers, etc.). A number of sites had systems that were more difficult—for instance, where families needed to recertify frequently, where families were required to come in to the subsidy office, or where families needed to visit with multiple caseworkers. These practices were particularly difficult when parents were working or in a work activity.

It is also possible, though, to develop policies that facilitate this process. Some sites had identified ways (mail/fax, coordination of paperwork with other agencies, and longer authorization periods) that made this process easier for families. Efforts to make this process less challenging for families are likely to help families remain in the system and may be more cost-effective for the agency as well.

# Chapter 4. Retaining Child Care Assistance after Leaving Welfare

Given the implications of child care assistance for helping parents work, how states handle the process of helping families receive child care assistance as they leave welfare is critical to the success of welfare reform. Yet there appear to be many families who are not using child care assistance after they leave welfare. Studies suggest that only between 10 and 46 percent of families who have recently left welfare are using child care subsidies (Schumacher and Greenberg 1999), despite the fact that they are a priority group for child care assistance in many states. Consequently, examining what parents have to do to retain assistance during this transition can identify ways in which administrative processes and practices may explain these patterns. (Note that some parents may end up applying for the first time during this transition and would likely face the processes described in chapter 2.)

The transition off TANF is somewhat complex from the perspective of both parents and the state/local agency. From the perspective of parents, this transition is a time of great potential and also great risk. While parents leaving TANF have the potential of moving off of cash assistance and into stable employment, they are also quite vulnerable because they are coping with many changes simultaneously during this transition period. At a minimum they are coping with the loss of cash assistance and having to manage a household budget without the safety net of welfare. In some cases (particularly in low-benefit states) this transition also coincides with a new job and related responsibilities, as well as with potential changes in their child care needs. Not surprisingly, research has found that it is common for families who leave welfare to end up back on welfare (Harris 1996; Loprest 1999). But because of the time limits for welfare that were imposed by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, the federal welfare reform law), the ability to cycle on and off welfare is now curtailed, meaning that at some point parents will not be able to receive cash assistance if they lose their employment.

From the perspective of the state, helping families retain their child care during the transition off welfare, while a priority, can also be somewhat complicated, for two reasons. This transition can involve other changes for the parents, such as increased income or a new job, which can trigger the need for the state to reassess their eligibility and subsidy level. In addition, in many states the family is moving from one eligibility category to another. Most states still give families receiving cash assistance a priority for child care assistance, and the family's eligibility for child care depends on their eligibility for welfare and compliance with welfare-to-work requirements. Families leave this special priority status when they leave welfare—and states vary in how they deal with this change. How this process works also depends in part on how

states have set up their child care and TANF agencies, and the extent to which the services were integrated or separate.

As context for examining this particular transition, it is useful to understand that the 1996 federal welfare reform legislation fundamentally changed what states are required to do in terms of child care assistance for families leaving welfare. Before 1996, the federal law was designed to maximize the likelihood that families would be able to retain child care assistance when they left welfare: there was an entitlement for 12 months of child care assistance (called Transitional Child Care, or TCC) for families who left welfare because of increased earnings. This meant that states were required under federal law to serve any eligible family in this category who applied for child care assistance—and that in states that were not able to serve all eligible families who applied, these families could obtain subsidies even while other low-income families not on welfare were being denied assistance.[51] This federal entitlement was eliminated in 1996, along with the entitlement for child care for families working to get off welfare. As a consequence, states are now able to determine their own priorities for child care subsidies for families leaving welfare. It does not appear, however, that this change in policy has made it any more or less difficult for families leaving welfare to get transitional child care.

With this set of policy changes as context, this chapter focuses on what families must do to retain their child care assistance during the transition, as well as on what happens at the end of the transitional period. In particular, this chapter examines the following issues surrounding retention:

1. Can parents receive child care subsidies after they leave welfare? Do they know that they can get assistance?
2. What do parents have to do to retain their child care benefits during this transition?
3. Can parents retain their child care subsidy when they hit the end of the transitional period?

## Can Parents Receive Child Care Subsidies after They Leave Welfare? Do They Know that They Can Get Assistance?

Two issues come into play in ensuring that parents are able to receive child care assistance when they leave welfare: Are policies and practices such that parents leaving welfare are eligible for, and able to obtain, benefits if they request them? And do the parents know that the benefits exist?

In all of the focal states,[52] families leaving welfare for work continued to be both eligible for and able to obtain child care assistance as long as they continued to meet the relevant income and work requirements and took whatever steps the state required. But the states varied in the policies they put in place to ensure that fami-



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**Table 4-1. Length of Time that Families Could Retain Priority Status for Child Care Assistance after Leaving Welfare**

| One year | Two years | Three years | No transitional priority period[a] |
|---|---|---|---|
| Alabama<br>Massachusetts<br>Minnesota<br>New York<br>Texas[c] | California<br>Florida | New Jersey[b] | Colorado<br>Michigan<br>Washington<br>Wisconsin |

*Note*: Caseworkers appeared to be able to extend these time periods in at least some states.

[a] Families in these states were able to continue to get child care assistance after they left welfare with no special priority. These states were also serving all eligible families who applied for service.

[b] New Jersey extended the transitional period from two to three years in July 1999. Local respondents were not sure whether the state would continue to extend the period in the future.

[c] Texas families not exempt from TANF work requirements could retain their priority status for up to 12 months. Exempt families that volunteered for Choices (TANF employment services) services could retain their priority status for up to 18 months.

lies would be able to continue to receive assistance—in particular, whether they continued to identify these families as a special priority group. Priority status was a key policy approach to maximizing the likelihood that families would be able to retain their child care assistance after they left welfare, because it gave them higher priority than other low-income working families if funds were inadequate to serve all eligible applicants.

Most of our ANF states (8 of 12)[53] had chosen to retain a "transitional child care" concept. These states continued to have a set time period after a family left cash assistance—ranging from one to three years—during which that family would have priority status for getting child care (table 4-1). Local respondents in these states tended not to use the word "entitlement" to describe their benefits for transitional families, though they did use terms such as "guarantee" or "automatic eligibility." Our sites in two of these states, however, required that families apply for these transitional benefits within a shorter time frame after they left welfare in order to retain this priority status.[54]

The other four states (Colorado, Michigan, Washington, and Wisconsin) had eliminated any transitional period for families leaving welfare.[55] At the time of our visit, these four states had also funded their child care assistance programs at levels sufficient to ensure that they would be able to serve all families who applied and would not be in a position of turning away transitional families.

The second step that is necessary for families to retain child care benefits when leaving welfare is that they must know they are able to receive them. Despite the fact that TANF parents were more likely to know that subsidies existed than were low-income working families who had not been on TANF, respondents in many of our

sites[56] noted that transitional parents were not always told about their ability to get transitional child care, what they had to do to get it, or within what time frame they had to act. Their comments included the following:

- "A lot of people really don't know about the program....A lot of the workers who...are responsible for referring families to transitional child care after they leave welfare don't inform them....I have a lot of families who come in and say, 'I have been trying to get this service for three years, how come I didn't know about it?' It depends on what workers you have." [A Florida respondent]
- "TCC [transitional child care] is supposed to be a right, but most of the workers say if [parents]...are making enough money so they can't receive [cash assistance]...caseworkers don't tell them they are still eligible for child care." [A Michigan respondent]
- "It depends on the caseworkers, if they are told about TCC. Parents are not always told they can apply. [I] think you may have to ask the right questions." [A Massachusetts respondent]
- "People don't always know about it because workers don't tell them about it and the families don't realize they are entitled to it." [A New Jersey respondent]

In several cases, information about this problem was obtained from caseworkers, who were likely to have a clearer perspective on what families were and were not told than were some of our other respondents.[57] These comments were corroborated by a fairly common confusion across our focus groups with parents on cash assistance who were receiving child care subsidies. In many of our sites there were some parents in the focus group who did not know they could get child care assistance after they left welfare.

Interestingly, one of our states had implemented a protection for families who did not know they could get child care assistance. In Minnesota, families who were not receiving subsidies at the time they left welfare, but who later discovered that they could receive subsidies, could be reimbursed retroactively for their child care costs during their transitional period.[58]

## What Do Parents Have to Do to Retain Their Child Care Benefits during the Transition?

Even though respondents in many sites spoke of families "automatically" being able to continue to get child care assistance when they leave welfare, the process seldom appeared to be automatic. In fact, only rarely is transitional child care "automatic" in the sense that parents can do nothing and continue receiving child care.[59] (California's system differs so significantly from that of other states that it cannot be described in a comparable way in this section; see box 4-1.) Only two sites, Minneapolis and Seattle, allowed families to continue to get assistance without having to take some action such as reapply or visit their caseworker. The change to transitional

**Box 4-1. California's Unique Approach to Child Care Subsidies for Families On, and Transitioning Off, Welfare**

California's child care subsidy system was different in a number of ways from the systems found in other states. The difference that is particularly relevant to this chapter is that California did not have a clear transition point in its child care subsidy system that corresponded to when families left welfare. The process that families went through at this point in California was not comparable to that in any of the other states discussed in this chapter.

Instead, the California child care system for families on welfare (CalWORKs) had three stages. Families were in Stage 1 until their situation was considered "stable," at which point (at least in theory) they moved to Stage 2. They remained in Stage 1 or 2 until they were off cash assistance for 24 months, at which point they would in theory move to Stage 3. (Stage 3 corresponded with the last section of this chapter, which describes what happens to families at the end of the transitional period.)

The way this system actually worked for families varied widely in terms of when families moved from one stage to another. The process that families had to go through to continue to get assistance during these transitions also varied by county and within agencies in California.

1) Localities varied in how they defined "stable." In some localities, the transfer from Stage 1 to Stage 2 occurred when a family left cash assistance—in which case the transition between these stages coincided with the transition off welfare examined in this chapter. In other localities, movement from Stage 1 to Stage 2 occurred when the parent got a job. The family then could leave welfare while in Stage 2, in which case there would be little or no transition (in terms of the subsidy) associated with leaving welfare.

2) Localities varied in the funding available for the different stages, which meant that families might not actually move to the next stage when they were supposed to. In some localities, inadequate funds in Stage 2 meant that families were not moved from Stage 1 when their employment status became "stable." Similarly, at the time of our visit there was significant concern as to whether funds would be available in Stage 3 to serve families reaching the end of their 24-month time limit for transitional benefits.

3) Localities varied in the way local agencies administered these stages. Some agencies administered all three, while others administered only one or two. As a consequence, families might or might not have changed agencies when they moved between stages—which has clear implications for the process that families go through.

4) Local agencies varied in what was required of families as they moved from one stage to another.

Nonetheless, statewide policy gave families 24 months of transitional child care assistance once they left welfare, regardless of what stage they were in.

child care in those sites was described as seamless to the client; it required only recoding at the administrative level. In Minneapolis the agencies and caseworkers involved transferred the information themselves, and the families received a letter describing the new eligibility criteria.

In the rest of our focal sites, parents had to take some action—it varied from state to state—to ensure that their benefits would continue.[60] As noted earlier, from the states' perspective part of the reason may be that the transition off cash assistance is



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likely to be accompanied by a change in the family's work status or income, both of which also can affect a family's subsidy level and parental fee.

In 6 of the 12 sites where we have data,[61] parents transitioning off welfare were required to make an in-person visit to the child care or welfare office or both to retain their child care assistance during this transition—usually to reapply or reauthorize their eligibility for child care assistance. Respondents in other sites reported feeling it necessary to come into the office as well. As a consequence, in-person visits were a reality for parents in a significant number of the sites. This could be particularly difficult for parents transitioning off welfare because this transition may come at a time when they are just starting a new job, when it may be very difficult to ask employers for time off or for extra favors. In addition, depending on the site, this effort could include filling out a new application, taking in paperwork needed to reassess their eligibility and fees, notifying their workers so their eligibility could be redetermined, or transitioning between one agency and another. In some cases this process could result in delays and other problems—for example, while many families in New York City had to reapply by mail for assistance, which theoretically only required caseworkers to close and reopen the case, respondents noted that this process could result in delays due to caseworker error.

Some families faced additional challenges during this transition because child care and welfare were often in two different agencies (or divisions within an agency). Parents not only had to deal with multiple agencies, but their ability to retain subsidies depended on communication between the agencies about the changes in their eligibility status. While agencies in some sites facilitated this communication themselves (e.g., Minneapolis and Seattle as described earlier), others required parents to manage at least part of the process of communicating the change in eligibility between the welfare agency and the child care agency. Three of our sites[62] required parents to make the transfer by carrying papers from one place to another—for example, parents in Tampa had to go to two agencies, first getting a referral from a Family and Children/WAGES worker and then taking that referral to the child care office. Given that the appointments at the Tampa child care office were on a first-come first-served basis, a parent could have to take a significant amount of time off work to deal with this requirement.

Our sites also varied in whether families leaving welfare had to change the agency, office, or caseworker they dealt with to get child care. For example, families in Detroit, Tampa, Miami, and Seattle generally continued to interact with the same child care caseworkers who worked in the same agencies and offices. A slightly different approach was used in the Texas sites, where parents moved from working primarily with their Choices (TANF) worker to working more closely with their child care caseworker. In yet a third approach, parents in New York City needed to interact with new child care caseworkers when they left welfare.

Families leaving welfare may also face different subsidy policies or practices because they are no longer on welfare. As is examined in greater depth in a companion paper from this project,[63] a few sites continue to have different policies for families who are receiving cash assistance and for families who are not. As a consequence, in some cases families leaving welfare may see sudden differences in their

child care subsidy. In particular, families may have to start paying a parent fee, or they may not be allowed to receive subsidies while attending post-secondary school once they leave welfare. These issues, combined with others families face, can make the transition off of welfare challenging, and subsidy retention more difficult.

## Can Parents Retain Their Child Care Subsidy When They Reach the End of the Transitional Period?

The final issue affecting the ability of parents to retain their subsidies after they leave welfare is whether those families in the 13 sites that have a time-limited priority period for transitional child care benefits can keep their subsidy when they reach the end of that period.[64] While families that reach their state's time limits for transitional child care benefits continue to be ***eligible*** for subsidized child care in all 13 sites (as long as they meet income requirements), these localities have different policies on whether parents are assured of receiving benefits if they are eligible and what they must do to retain assistance at this time.

The first question is whether families leaving their transitional period would be able to retain their subsidy if they were still eligible, needed subsidies, and took the appropriate steps. It appears that in the majority, but not all, of these sites, families leaving the transitional period were being served in these circumstances. However, these sites had very different policies as to whether these families were considered a priority, and whether they would be able to get services if there were not enough funds to serve all who applied.

Four of our localities[65] were not only currently serving all families moving off transitional care, but were committed to ***continuing*** to serve these families even though there were waiting lists for low-income families who had not been on welfare. In other words, in these states families effectively retained priority status during this transition and were able to retain their subsidy when they left the transitional period (if they took the appropriate steps). Both Boston and Minneapolis had set-aside funds in their subsidy program that served low-income working families (non-welfare) to ensure that these families would not have to go on a waiting list. (Note, however, that these families had this priority status only as they moved off the transitional period. If, for example, they were to apply for child care assistance a few months later, they would be treated like all other families.)

On the other hand, in 7 of the 13 sites with a transitional period,[66] families leaving the transitional period could retain their subsidy only if funds were available. Families in three of these sites[67] were already being put on waiting lists. In some cases, caseworkers were encouraging families to put their name on the waiting list as soon as they left welfare so as to maximize the likelihood that their names would come up before they lost transitional benefits. Respondents in the four other sites[68] reported being concerned that families leaving transitional benefits would have to go on waiting lists in the near future.[69] The implications of being put on a waiting list vary depending on the state, because the size and speed of movement off the wait-

**Box 4-2. Tradeoffs in Giving Families Priority for Further Child Care Assistance at the End of Their Transitional Period: Voices of Respondents**

Some respondents supported giving families leaving transitional care priority for child care subsidies.

- As a respondent in Houston described it, the waiting list poses a problem for families leaving transitional care because if they go on the waiting list they lose child care, then lose their job because they have no child care, and then end up going back on Choices (the Texas welfare to work program)—an option that will no longer be available to them given the TANF time limits. Twelve months of assistance after welfare "is not enough time for them to improve their job situation."
- A respondent in California said, "We are pumping these people up, saying get a job and be self-sufficient and we'll give you two years of child care. Well, everybody in two years is not going to become a CEO, and they will most likely still be in that entry-level job. So two years really doesn't mean anything because they still won't be able to pay for child care after two years." If they lose assistance at that point, "the reality is that they will be back in the same place that they were in to begin with."

Other respondents were concerned about the equity issues in giving families leaving transitional care higher priority on the waiting list than low-income working families who have not been on welfare.

- A caseworker in New Jersey noted, "The state is forgetting about regular working parents that need care and don't qualify....[We give priority on the waiting list to families leaving transitional care] while we have people who have been waiting five or six years for a child care subsidy,..."
- A caseworker in California commented that these two populations look exactly the same so, "Why is one getting a subsidy and the other is not?"

ing list varies. As a consequence, families in these states could lose child care assistance even though they were already being served and were still eligible for assistance.

The question of whether to give these families priority is challenging for states without adequate funds to serve all eligible families who apply. It is understandable that some states work to ensure that families leaving transitional care can retain their subsidies, because it is unlikely that parents will be earning enough after a year or two off welfare to be able to afford child care without help. But this situation also creates or maintains an inequity between low-income families who have been on welfare and equally low-income families who have not received cash assistance. Some of the comments of our respondents about these tradeoffs are shown in box 4-2. The bottom line is that there is no easy answer to this set of tradeoffs, which will continue to be an issue in states that lack sufficient funds to serve all eligible families who apply.

Another question is what families have to do to retain their benefits when they leave their transitional child care period, and how easy or difficult this process is for them. Unlike the other changes discussed in this report, this particular transition is not accompanied by any change in the parent's status, such as a change in income or work situation, that is likely to trigger a need to reassess the parent's subsidy. It is



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simply triggered by the parent's arrival at the end of a time-limited priority period. As a consequence, there is no particular reason for the state to have to reassess the parent's eligibility or subsidy level at this step.[70] Yet we found wide variation across our sites in what parents had to actually do to retain their subsidies at this stage. The process was fairly easy in some localities. Parents in Birmingham, Boston, Buffalo, and Minneapolis did not have to reapply. In other sites the process was more complicated. Three sites[71] required parents to reapply for services. In Tampa, parents had come in to the office to reenroll in Florida's Income Eligible Child Care program—though the subsidy agency was working to develop a way for parents to do this process by mail at the time of our visit. In some sites families were required to move to a new agency or change caseworkers.[72]

## Conclusion

Leaving welfare is a critical transition for parents as they work toward self-sufficiency. Minimizing experiences that will jeopardize the ability of parents to retain their place in the workforce can help make this transition successful. Child care is one of the key supportive services that can help this transition off welfare. The importance of child care for this transition is seen in the language used by child care subsidy agencies in our sites—specifically, transitional families were said to have "automatic" eligibility and guaranteed subsidies, and were considered priority populations.

In our sites, however, there were many examples of features that could complicate this transition: Families may not know transitional subsidies exist, they may need to reapply to get transitional benefits, they may need to negotiate multiple agencies that do not communicate with each other, or they may lose subsidies at the end of the transitional period because of waiting lists for subsidies for low-income working families.[73] Though all of our states placed a priority on continuing to provide child care subsidies to families leaving welfare, retaining subsidies when transitioning off welfare can be more complex for families than it appears.

Our sites also showed that it is possible to ease this transition for parents by making sure they know about the availability of subsidies, minimizing the steps parents must take to obtain subsidies (i.e., transition involves only recoding in the computer system, or parents are allowed to report changes in status by phone/fax/mail), and facilitating communication across welfare and child care agencies. This last feature can help to reduce the burden on parents because coordinating the transfer of necessary information between agencies can mean that parents do not have to do the transfer themselves, thereby reducing the number of steps they need to complete.

# Chapter 5. Retaining Assistance through Changes in Employment Circumstances

While parents are receiving subsidies, they are likely to experience employment changes that affect their subsidies. The employment patterns of low-income parents can be very dynamic. Frequent job turnover is common among entry-level and low-wage workers (Lane 2000), and welfare recipients in particular are likely to have jobs that have changing schedules or that involve irregular work patterns (Rangarajan et al. 1998). Because employment-related changes can happen frequently, what a parent has to do to retain child care subsidies through such transitions affects their subsidy utilization patterns. The more difficult the process, the more likely states are to lose families from the system, particularly if families have to go through the process repeatedly. In this chapter, we examine two employment-related transitions: what happens when a parent's job situation *changes* (different hours worked or a change in pay), and what happens when the parent *loses* a job.

These two transitions can be particularly challenging from the perspective of the state because they can affect many aspects of a family's child care subsidy: The parent's *eligibility* for subsidy (because eligibility is based on both income and work status); the amount the parent has to pay in *parent fees* or *copayments* (which is affected by changes in the parent's income); and the *hours* for which a parent needs child care coverage (which are affected by changes in work schedule, loss of a job, and involvement in job search). These changes can have an additional impact on families who are on cash assistance because job changes can affect their eligibility for welfare, which may in turn affect their eligibility for child care.

States may need information on the parent's change in job circumstances to ensure the appropriateness of the subsidy. As with the other transitions already discussed, the challenge is how best to obtain this information without creating undue burdens on the family or making it difficult for the family to retain its subsidy during these changes.

This chapter focuses on answering two key questions:

1. What are parents supposed to do to retain their subsidy during job-related transitions?
2. What happens to parents' subsidy when they lose their job?

## What Are Parents Supposed to Do to Retain Their Subsidy during Job-Related Transitions?

What parents are required to do when they go through a job-related transition is complex. Part of the reason is that while most states have clear policies around what families must do, in reality local agency practices can make it either easier or more difficult.

### All States Require Parents to Notify Them About Changes in Job Status

All of the focal sites had a policy requiring that parents notify the child care subsidy agency of changes in job status, whether it be a change in job hours or schedule or a loss of a job. Some agencies wanted to be informed of any change in the job situation, while others specified that they must be notified of those changes that could affect the family's eligibility. In addition, many sites reported specific time periods during which the parent was required to notify them; most of those sites required notification within 10 days,[74] although timing ranged from 5 days in Birmingham to 12 days in El Paso.

There was some variation across our sites in *how* parents had to notify the state or local agency. Respondents in 4 of our 17 sites[75] reported that some or all parents had to make an in-person visit to notify the agency of changes in job hours or income.[76] This requirement can be particularly challenging, given that parents are working or starting a new job and therefore may have trouble taking time off from work. In addition, because this transition may happen repeatedly, parents may have to take time off from work frequently, making the cumulative impact of the in-person visit requirement even greater.

The remaining 13 sites allowed parents to notify the subsidy agency of a change in job hours or pay without an in-person visit, instead allowing them to inform the state by phone, fax, or mail.[77] Parents in these sites were required to submit written information about the change (usually pay stubs, employment verification, or schedule information) without having to visit the office. However, as has been found elsewhere in this report, it appears that more families may feel it necessary to notify the state of job-related changes through an in-person visit than would be suggested by the formal policy requirements of these 13 localities.

Although parents were required to notify the state of any changes in their job status, agency staff across many of our sites thought that a number of parents actually waited to report this change until the time of their eligibility recertification. Our focal sites varied somewhat in how they dealt with this issue. Agency staff in most of our sites agreed that, while parents were supposed to notify them, they relied on the periodic eligibility recertification process to identify when parents were earning more or less or had changed jobs. The predominant feeling in these sites was that the situation could be remedied at that point—with fees and subsidies adjusted as neces-

sary—and that as long as families had a job by that point they should continue to get child care. Caseworkers were attentive, however, to any indication of actual fraud and had strategies to address this problem, such as having the parent recertify more often or terminating the case (see chapters 3 and 7).

A few of our focal sites did sanction parents for failing to report these changes.

- El Paso had very strict requirements in this area. Parents were required to report any change in their situation, including changes in job, number of children, hours worked, income, and family composition, within 12 calendar days of the change, and they were terminated if they failed to do so. Workers reported that "if they don't report these changes, we have to end their services," and that failure to report changes was one of the "main reasons that we have to terminate." Parents in El Paso, though, were sometimes confused about these policies, and most did not think they would be sanctioned if they did not notify the state. This confusion can increase the likelihood that parents incorrectly follow the policies, which can result in termination.
- In two sites, Minneapolis and Detroit, some caseworkers[78] noted that they collected overpayments from families if they discovered that a parent had been working less than the state thought or if the family was paying less than they should (i.e., they were working more hours, so their income was higher). In Minneapolis, increased income from working overtime was one of the most common triggers for determining that parents were paying too low a copayment, because parents often did not report a change in their earnings when they worked overtime. (The issue of overtime payments is discussed more below.)

The procedures in some other sites were less clear. For example, in Milwaukee, agency staff mentioned that TANF families would not be penalized for failing to report changes as long as they continued to receive cash assistance. TANF parents, however, noted that they had 10 days to report changes, saying, "If you don't, you are out of there." Other Milwaukee parents reported knowing of parents who had been "booted off of child care" for these reasons and who then had to wait either six months or a year before they could reapply. The discrepancies between caseworker and parent reports in these sites suggest that these policies may be unclear to clients.

## Parents on Welfare Can Face an Additional Layer of Requirements

Families on cash assistance may face an additional set of notification requirements, because work status and income are also related to welfare eligibility. As was true for other transitions, in some sites (e.g., Miami and Tampa) families on cash assistance who had a change in job hours or income had to visit both the cash assistance office and the child care agency in person to notify them of this situation.

Regardless of whether they were required to do in-person visits, families on cash assistance in some sites had to notify multiple caseworkers—for example, their cash assistance/employment worker and their child care worker.[79] A parent in one of our Florida sites reported that she had to keep all of her caseworkers informed of job changes, and drew a flow chart of the workers involved, showing her Job Club

worker, her Children and Families worker (an AFDC/TANF worker who handled food stamps and other benefits), and her WAGES worker, as well as the child care subsidy caseworker.[80] Similarly, caseworkers in Minneapolis said that although in theory parents on cash assistance need to notify only one worker (and workers are supposed to inform each other), in reality parents receiving cash assistance might need to let all three caseworkers--welfare, employment, and child care--know of any changes in job status to be on the safe side.[81]

Not surprisingly, parents who were on cash assistance were sometimes confused about which office they were supposed to notify and, when relevant, which office had which requirements and sanctions about notifying the state. Families on cash assistance may face an additional challenge because they can be dependent on the coordination between their welfare caseworker and their child care caseworker in this transition.[82]

Yet there were also examples of administrative practices that could make it easier for families on cash assistance to negotiate these multiple agencies. For example, in El Paso and Houston, parents on cash assistance had to notify only their welfare/employment caseworker of the employment-related change.[83] This worker would then notify the child care agency.

## Other Issues Can Make Notification Requirements Challenging for Parents

Respondents raised some additional issues around informing the state of changes in their job status. These issues can add to the challenges that parents face while fulfilling notification requirements.

Parents and caseworkers in a number of sites mentioned the particular challenges facing those parents who work irregular hours (including those who work overtime) or who are self-employed. In particular, their hours are not stable, which means that both their income and their schedules fluctuate frequently. This can make it difficult for parents in two ways: It may be difficult for them to determine which changes should be reported, and it means they have to report such changes frequently. As noted earlier, caseworkers in Minneapolis said that failure to report overtime payments was one of the most common errors they saw parents make.

Parents were also not always clear on exactly what they were supposed to do, though they generally knew that they were supposed to notify the state of any changes. While many of the parents we spoke with notified the office regardless, this confusion about procedures may well lead other parents to make mistakes that could result in termination.

Finally, as has been found with the application and recertification procedures, some respondents noted difficulties with the requirement in some sites that the state must have verification of job changes from the employer. This requirement was challenging for some parents, both because they were concerned about having to let their employer know that they were receiving subsidies and because some employers did not provide required information promptly.

## What Happens to Parents' Subsidies When They Lose Their Jobs?

Given the frequency with which entry-level workers lose their jobs (Lane 2000), the question of what happens to a family's child care subsidy when a parent loses a job is a particularly important issue for subsidy retention.[84] Policies and practices in this area can also have implications for the parent's ability to find a new job, as well as for the child's development. Allowing parents to retain child care subsidies during a job search provides them with a place for their children so they can focus on getting a job, which could help increase the likelihood that they will find another job. As one Jersey City caseworker noted, "You can't bring children to an interview....There is a little gap there where they [parents] need help." In addition, these policies can help minimize disruptions in the child's care setting, which can support the child's development. Research suggests that children need stable, ongoing relationships with their caregivers for healthy development (NICHD 1997). This could be particularly important during a time of stress for the family, as is likely to be the case if a parent is unemployed and job-hunting.

This section examines the extent to which ANF sites had policies in place so parents receiving subsidies who lost their job could continue to receive subsidies while looking for a new job. However, it is important to point out that the parents we spoke with often did not know exactly what would happen to their child care subsidies if they lost a job. Although this confusion may not always be a problem with agency practices, it may contribute further to concerns about reporting this change to the state if parents are not sure of the implications of reporting. Their confusion about the procedures can also make parents more likely to make mistakes inadvertently, which may result in termination.

### Some Sites Offered Subsidies during Job Search to Families Receiving Subsidies

Fourteen sites offered child care subsidies during a period of job search to some or all parents who lost a job while receiving subsidies, with the time period for these families ranging from 10 to 60 days[85] (table 5-1). In a number of these sites, the policies on child care during job search were different for welfare and for transitional families, with differing lengths of time or, in some cases, no formal job-search period for some families. In addition, in 2 of the 14 sites we received conflicting information about whether families could retain their subsidy during job search, which suggests that although these sites may have had a policy allowing parents to receive a subsidy during job search, in practice parents might not be getting it.

The issue of providing families—regardless of welfare status—with a subsidy during this job-search period was not completely straightforward, presenting additional challenges to families.

**Table 5-1. Length of Job-Search Child Care Benefits for Families Receiving Subsidies in ANF Sites**

| None | 10 days | 30 days | More than 30 days |
|---|---|---|---|
| Detroit[a]<br>Miami<br>Milwaukee | Birmingham[b]<br>Buffalo | Denver[b]<br>Tampa[b]<br>Jersey City (4 weeks)[d]<br>NYC (HRA)[e]<br>El Paso[b]<br>Houston[b]<br>Seattle[d] | Los Angeles (60 days)[c]<br>Oakland (60 days)<br>San Diego (60 days)[b]<br>Boston (8 weeks)<br>Minneapolis (240 hours/year)[b] |

[a]In Detroit, welfare recipients participating in job search were eligible for child care during the entire job-search period. Nonwelfare recipients, except for migrants, did not receive child care during job search unless they were voluntarily participating with the Michigan Works Agency.

[b]Policies were different for welfare and/or transitional families in these sites:

- In Birmingham, the JOBS (TANF) case manager decided whether welfare families could continue to get subsidies while searching for a job.
- In Denver, transitional families received 45 days of job search.
- In Tampa, welfare caseworkers decided what was appropriate for welfare families, while transitional families were given the same job-search time as nonwelfare families (30 days), but were authorized in shorter increments (10 days).
- In San Diego, Stage 2 and 3 families received 60 days of job search, while the job-search period for Stage 1 families was at the discretion of the employment case manager.
- In Minneapolis, families receiving cash assistance could have more hours of job-search child care (beyond the 240 hours per year that all families received) if requested/recommended by an employment counselor.
- In El Paso, it was unclear whether transitional families received job-search child care.
- In Houston, transitional families were given no job-search time.

[c]In Los Angeles, some respondents reported that parents have 60 days of job-search child care, although other respondents noted that not all families received job-search child care.

[d]We received conflicting information about the existence of job-search child care in Seattle and Jersey City. For example, in New Jersey, state-level respondents reported that families could be authorized for up to five weeks of subsidies during the transition between jobs and/or training/education activities. However, local respondents in Jersey City reported that non-TANF parents were given four weeks of job-search child care, while TANF parents lost their subsidies immediately if they lost a job and did not start a new work activity.

[e]In New York City's Human Resources Agency (the agency that handled families receiving cash assistance), families were given four weeks of job search with a possible extension of two weeks. One respondent in New York City said that parents not receiving cash assistance received six months of job-search child care, but this could not be confirmed.

- Some sites, (e.g., Minneapolis and San Diego), required parents to get a new authorization for child care during their job search. While this could be done by mail in both sites, it was an additional step parents had to take.
- In at least one site, Oakland, the parents' subsidy was reduced from full-time to part-time status if they were in job search. This policy can be challenging. While in theory it makes sense to reduce parents' subsidies because they are not likely to be looking for care full-time every day, in practice providers may not be willing to serve a child on a part-time basis. Providers may find it difficult to fill the slot for the remaining hours and consequently may not be able to cover the costs of paying their staff and rent. For this reason, caseworkers in one site reported that child care providers do not like providing part-time care.[86] Other providers noted that they refused to serve families on a part-time basis. As a result, reducing subsidies to part-time can mean parents lose their child care arrangement, which can interfere with their ability to look for work, make it difficult when or if they find a new job, and disrupt the child's care setting. Alternatively, some providers may continue to serve these families, resulting in a loss of income for the provider. (This issue is addressed in greater depth in a forthcoming paper on child care providers and subsidy policies.)

There were also policies and practices around providing subsidies for job search that could smooth the transition when parents lost their jobs:

- Respondents in three of our focal sites—Denver,[87] Houston, and Minneapolis—noted that caseworkers would adjust the parents' fees downward if they lost a job. Although not discussed in all sites, this could well occur in other sites as part of the recertification process because the families' incomes have been reduced due to the loss of their jobs. This policy can support parents during the job-search period, when they may have little or no income to cover parent fees. However, it does require that the parent contact the state so the appropriate adjustment can be made.
- In Denver, respondents reported that the agency would allow the family to retain its eligibility for subsidies for another 30 days at the end of the job-search period, though the state would not actually pay the subsidy during this period. This practice would be particularly important in states that have waiting lists for child care assistance, because it can help keep families who find care within that period from being put back on the list. In Denver, although there was no waiting list, this practice was helpful for families because it meant the parent would not have to go through the application/provider approval process again.

## Some Sites Did Not Offer Job-Search Time to Parents Receiving Subsidies

Although the majority of sites did provide a time-limited period of job search subsidies for families receiving subsidies, respondents in three of our focal sites—Detroit, Milwaukee, and Miami—reported that they did not provide subsidies during job search. Lack of job-search time can be frustrating for parents. In Miami, parents receiving cash assistance felt that it would be helpful to have time to find a new

job. This job-search time can also ensure that their children continue in their child care arrangement. One parent noted that "it's hard to try to find someone to keep your baby" if the parent loses child care when a job is lost. It seems likely that parents would have an even greater incentive to not notify their caseworkers when they lost a job in sites that do not provide subsidies for job search.

Interestingly, because of caseworker discretion, the policy of not providing subsidies during job search may actually play out somewhat differently in practice than in policy in these sites. In one site, a caseworker noted that in some situations—specifically with parents that she knew could get another job quickly—she would make sure that parents retained their child care subsidy so they could keep their child in their child care arrangement. Some parents in Milwaukee also noted that they could continue to receive subsidies for job-search when they lost a job, indicating either that these parents might not understand the policy or that there might be some flexibility. This policy also has different implications for welfare and nonwelfare families. Specifically, although these three sites did not provide subsidies during job search for families who were not on TANF, TANF families in these sites could receive subsidies if they started a TANF work-related activity, which could include job search.

## Conclusion

Unstable work patterns are part of the reality for low-wage entry-level workers. The challenge for working parents receiving subsidies is that changes in work also lead to changes in the subsidy (level of subsidy, copayment, etc.). It is important that policies and practices recognize the realities facing these families by minimizing the difficulty of retaining subsidy through these changes and at the same time ensuring that agencies get the information they need. The goal is to develop policies that work to ensure that unstable and fluctuating job experiences do not result in unstable subsidies and child care arrangements.

Our site visits showed that while these issues were not being addressed in a number of instances, some local sites had developed policies that came closer to this goal. Some relied on the recertification process to catch major changes, which minimized the need to report all small changes. This practice is beneficial for parents and may also be more cost-effective for the subsidy agency. Some sites had policies that recognized the realities of low-wage workers, allowing parents to report changes by phone or fax, for instance, or providing job-search child care. Job-search child care in particular allows parents to retain subsidy eligibility and keep their children in stable environments while smoothing the way to the parent's next job. Policies and practices that recognize the realities of low-income working parents and focus on retaining families in the system could play a critical role in helping parents keep child care and stay in the workforce.

# Chapter 6. Retaining Subsidies during Changes in Child Care Providers

Another issue that families commonly face while receiving subsidies is the need to change their child care provider. One study found that one in three infants had three or more different arrangements during just the first year of life (NICHD 1997).

Not surprisingly, when parents receiving subsidies want to change providers, they must let the subsidy agency know so the agency can set up the payment agreement with the new provider and make sure the new provider meets the relevant requirements. The relative simplicity or complexity of this process can affect families' ability to retain their subsidies—for example, a complex process can make it difficult for parents to change providers quickly to meet a new work schedule and thus can jeopardize their employment (and therefore their subsidy). Alternatively, parents may not be able to follow complex requirements and therefore may lose their subsidies.[88] One parent noted that she lost her job because of problems she had changing her provider with the local subsidy agency.

The process of changing providers—and what states require parents to do—is a somewhat more complex issue than it might initially appear. Our respondents made it clear that there are a range of complex reasons that can lie behind the parent's desire to change providers, and some of these reasons are more problematic than others. Respondents believed that many of these reasons were valid and important. For example, some parents wanted to change their arrangement because their children were getting older and needed a different type of care, others because they had changed their work schedules or jobs, and still others because they were concerned about their child's health and safety or had other concerns about the quality of the care. A number of parents in our site visits talked about experiences they or other parents had had with poor-quality care, and the importance of being able to move their child out of such programs quickly.

Both parents and caseworkers also noted other, more problematic, reasons for needing to change arrangements. Caseworkers discussed their concern that parents were making hasty, uninformed choices when they first found care and then changing providers because they did not like that care. Some said this problem arose because the parent had too short a time to find appropriate care, given job responsibilities, or had too little information to make the right choice. Others found that some parents initially did not know or care enough about this important decision. Respondents also noted that some parents wanted to change providers because they owed the provider money and wanted to avoid having to pay their fees.

Respondents in several sites were concerned about parents changing providers for these more problematic reasons. Their concerns seemed to fall into two general areas. One was the impact these changes would have on the stability of the child's arrangement and therefore on the child's well-being. A caseworker in Birmingham noted, "The child has to have a place for roots and the baby has to have time to adjust." The other concern was the strain it put on the agency staff. Respondents—particularly caseworkers and agency staff—said these rapid changes put significant demands on their time as well, at a time when many of them were already having trouble managing their caseloads

As a consequence, the goals of the subsidy agency in determining what subsidized families have to do if they want to change their provider are complex. On the most basic level, the agency must get the information it needs to stop payment to one provider and start payment to another. Yet, states are also juggling two additional and somewhat contradictory goals. From one perspective, subsidy policies are often predicated on the concept of parental choice, which should lead to easy changes of providers. But local agencies are also concerned about the well-being of children who are moved in rapid succession from one arrangement to the next, and with overloading their caseworkers with the resulting paperwork. As a consequence, there appeared to be some incentive for agencies to make the process of changing providers more difficult to discourage these changes.

From the parents' perspective, a complicated process can discourage families from changing providers even when they have good reasons for doing so. A complex process can also make it more difficult for families to retain their subsidies through such a change—because it increases the likelihood that a family will make a mistake resulting in termination—and can jeopardize their work.

With this background as context, this chapter examines the policies and procedures in the ANF sites on what parents have to do to change providers.

## What Do Parents Have to Do to Change Their Providers?

There were generally two separate steps that parents had to take if they wished to change providers. First, they often had to provide some advance notice. And second, they had to interact with the state in some way to ensure that the state had the appropriate information about stopping payment to one provider and starting payment to another.

In 9 of 11 sites where respondents discussed this issue, parents were required to provide advance notice of a plan to change providers—though the sites varied in their policies in terms of *who* had to be notified.[89]

- In five of these sites, parents were required to give two weeks' notice to their *provider*; though in the California sites parents were not required to give two weeks' notice if they used license-exempt providers.[90]

- In five sites—Jersey City, El Paso, Birmingham, Los Angeles, and San Diego—parents were required to give their *caseworker* advance notice, which ranged from 3 to 4 days (El Paso) to 10 days (Jersey City and Birmingham).[91] Caseworkers in Jersey City reported that parents were allowed to change providers for a given month only if they notified the state before the fifth of the month. While this did not seem to be a statewide policy, the practice could be a problem for parents if their needs changed or if they were not satisfied with the quality of care.
- Two sites—Denver and Houston—did not have policies requiring advance notification of either the provider or the caseworker, although in Denver some caseworkers noted that they did require clients to give them two weeks' notice. These caseworkers also pointed out that parents may still be required to give advance notice to their current provider as part of the agreement the parents signed with the provider, separate from any state or local agency requirements.

Respondents in five sites noted that the subsidy agency waived advance notice requirements if the child was at risk of being harmed in the child care arrangement.[92]

Respondents said advance notice requirements were important to ensure sufficient time to stop payment to the existing provider, give the provider some warning that they would have an empty slot, and start the payment approval process with the new provider. Some caseworkers felt that being strict about advance notice could be useful to ensure the appropriate closing and reopening of the payment and also to provide a disincentive to parents to making too many changes. Agency staff also noted that written advance notifications were important for documentation purposes.

In addition to requiring advance notice, 8 of the 17 study sites required at least some parents to come to the office in person to change their provider.[93] In four (Miami, Tampa, Boston, and Milwaukee) all parents needed to do an in-person visit, and in the other four (Oakland, San Diego, Los Angeles, and New York City) only some parents had to visit the office.[94] As described earlier, in-person visits can be a problem for parents. In this case, though, it can also cause them to delay or decide against changing their provider. As one parent in Florida noted, coming in to change a provider "is altogether aggravating to me, because I work. My supervisor has no understanding of taking time off....You have to give her advance notice that you want to take off." In the remaining nine sites, parents had alternatives to in-person visits, such as mail/fax/phone options.[95]

Parents may also have to fill out paperwork about changing providers, though we did not systematically collect information on this issue. Nonetheless, in some localities parents had to fill out forms notifying the state of the change in provider,[96] and in other sites parents were required to show proof that their parent fees were paid up before they changed providers.[97] In other sites parents did not have to fill out any paperwork—for example, in Denver, parents could give the information about their new provider to their caseworker over the phone.

Paperwork requirements can affect the likelihood that parents would change providers for what some caseworkers saw as less valid reasons. For example, as of January 1, 2000, Birmingham required welfare parents to complete a change form when

they wanted to change providers. Caseworkers felt this would force parents to take more responsibility for the provider they choose. As one caseworker noted, "[The new form] might make a person think and be more careful about who they choose." But this can also make it difficult for parents to change providers when they have a good reason to make the change.

For parents, the process of changing providers can be more complicated if they have difficulty getting in contact with caseworkers (chapter 1). Although parents in Denver discussed the fact that they could call their caseworker with the name of the new provider, and that then it would take only a day or two before the change would go through, one parent noted that it was not always easy to get in touch with the caseworker in the first place: "They say they'll call back within 24 hours but they don't always." Similarly, a parent in one of the Texas sites said she had to call repeatedly to get the paperwork required: "That is how persistent you have to be if you don't want to get left out in the cold." This parent ended up changing providers before the paperwork was completed.

The process of changing providers was not difficult for all parents, however, and in some cases the process was made easier because of responsive caseworkers. Parents we spoke with in Buffalo reported that the process was not difficult for them. One said, "I also found it easy to change day care. It was just a matter of a phone call and they asked what the [new provider's] name was. [The subsidy agency] just did it over the phone. They sent me a form with the provider's name on it. As long as it's okay with the new provider, it works." Parents at one of the Los Angeles agencies also said that changing providers was "easy to do" because the staff at the subsidy agency was helpful and accommodating to parents. Although the parents had to come in to the office to change providers, they did not think it was difficult because the subsidy office "is not like the welfare system where you go to the welfare office and you will be there all day."

## Conclusion

The issues surrounding the process of changing providers are complex. The state needs to protect parents' right to choose the provider they want to use, as well as ensure the protection of children from poor-quality care. At the same time, the state has an interest in minimizing the instability of care of children and the administrative burden of frequent changes for caseworkers.

These issues suggest that policies and practices in this area need to minimize the burden of changing providers for families while also curbing the number of unnecessary changes. A number of our sites had procedures in place, such as minimal paperwork requirements and phone, fax, or mail options, that lessened the burden of what was required to change providers. States also need to focus on providing supportive services that reduce the number of unnecessary changes by maximizing the likelihood that parents make informed choices in the first place. They can do this by providing strong consumer education and counseling on child care, as well as through improving the options available to families (for example, supply-building

efforts in low-income neighborhoods). These services can help parents clarify what they need, identify their options, understand how to choose providers, and have time to choose, and can help ensure they have options to choose from.

At the same time, up-front consumer education may not always be effective, because some parents know what they want initially and then have problems develop later, and some parents are already working and do not have the time (or do not see the need) to get information. In these cases, the subsidy agency can work to minimize changes by ensuring that families changing providers frequently are given counseling. A subsidy agency in North Carolina, for instance, identifies those parents who are changing providers frequently and offers them more in-depth counseling about child care options.

# Chapter 7. The End of the Process: Termination from the Subsidy Program

The last stage in the subsidy system for families is the termination process. Subsidy agencies terminate families for many reasons: because they are no longer eligible, because they have committed some offense such as fraud, or because they have failed to comply with program requirements. Yet the preceding chapters have shown how many requirements and procedures parents must follow to retain subsidies and how easy it would be to fail to comply with one or more of them. Respondents in a number of our sites reported that failure to recertify was one of the most common reasons for termination. While we do not know how many families lose assistance inadvertently (instead of for reasons like ineligibility or fraud), recent research shows that many terminated families return to the subsidy system, suggesting that inadvertent losses may be common (Meyers et al. 2001). It is useful to examine how the termination process works, and in particular whether families who are inadvertently out of compliance have an opportunity to come into compliance and avoid losing their subsidy.

In our site visits, parents stressed the important role that subsidies played in allowing them to work and care for their children, and highlighted the importance of avoiding unnecessary terminations. A Florida mother noted,

> Let's say, on average, a new job is going to pay about $240 a week....$120 a week for day care, leaving another $120....We know that a little over $100 of that needs to be set aside for rent, which leaves you $25 a week for groceries, lights, water, car insurance, car payment, health insurance. As long as child care is there, yes I can work and I can pay the $5 to $10 [in copayment]. But if it is taken away, then it is no longer worth it for me to work. Again I would be at the point where I would have to live with someone else and take care of my kids.

Across our focus groups we heard from parents who were worried about losing assistance because it would jeopardize their ability to work, force them to take their child out of the child care arrangement, or create serious financial difficulties. Parents were concerned about their ability to work and support their families without subsidies. They were concerned about the impact on their children of having to leave child care arrangements where they had developed a bond with the caregiver and potentially having to be placed in less good or less stable care. Some parents in Jersey City who had lost subsidies in the past said they had no way of keeping their children in care during this period, which was difficult for their children, who really liked their child care provider. And while losing assistance because of a mistake in paper-

work would not normally keep a family from reapplying and getting back into the system, this was not an option for many of the families living in the eight ANF states that had waiting lists for child care assistance.[98]

From the state's perspective, termination, though very hard on parents, is an essential option. Termination is how the state ensures that only those families who are eligible receive subsidies, and that parents who commit offenses such as fraud or consistently fail to comply with program rules are not able to continue to get subsidies. By terminating these cases, states can free up funds to serve other eligible families who need help. State and local agencies are not likely to intentionally cut eligible parents off subsidies inappropriately, because they have invested resources in the family's employment and well-being. Yet it can be challenging to reach a middle ground in this area, ensuring that only families who deserve to lose assistance are terminated while giving others an opportunity to come into compliance.

This chapter examines the policies and procedures surrounding termination, with a particular focus on how the process can make the retention of subsidies more or less difficult for families who lose assistance inadvertently (i.e., for reasons other than fraud or no longer being eligible). This chapter focuses on three questions.

1. What triggers the termination process, and what does the process entail?
2. What opportunities do parents have to affect the outcome of the termination process?
3. How does the termination process differ for parents on welfare?

## What Triggers the Termination Process, and What Does the Process Entail?

Families are terminated from child care assistance for various reasons: because they are no longer eligible (their income is too high, their child is too old, or they are not working or meeting other categorical criteria); because they have committed fraud or failed to report increases in income or changes in eligibility; or because they have failed to comply with other program rules. Across our sites, the most commonly reported reasons for families to be terminated were cases where families did not recertify, the parent did not work the required number of hours, or the family's income rose above the eligibility limit.

When these situations occurred, the caseworkers determined whether the family should be terminated. Caseworkers played a particularly important role in triggering this process. In some sites, they had flexibility in whether to start termination procedures, which often gave them the opportunity to work with parents before starting termination. In Minneapolis, caseworkers said they would use their discretion and not necessarily start the termination process in cases where the parent did not turn in certain forms. One caseworker said, "We have leeway, so we can indeed adjust things if necessary." Similarly, a caseworker in Detroit said she would warn parents

that she was considering termination so that the parents had time to come into compliance. In such cases, flexibility can help retain families in the system.

Parents' perceptions of this caseworker flexibility varied. Some saw it as giving caseworkers an opportunity to stop the termination process. Several parents in Florida felt that caseworkers really worked with parents in giving them warnings before terminating. But caseworker discretion can also mean that the rules are not as clear, potentially leaving parents to think that what happens depends on the caseworker and not on the policies of the agency.

Once caseworkers determine that a family should be terminated, they need to notify parents. This notice can serve an important function for parents—it lets them know they are in danger of losing assistance, and it can give them time to come back into compliance (get paperwork in, recertify, etc.). In all of the ANF sites where we have data,[99] the agency reported sending parents a written notice of termination, although in one site the process differed for certain families.[100]

While it was a common *policy* to notify parents across the ANF sites, in a number of sites parents and providers reported that notices were not always received. One parent noted that the subsidy agency "supposedly sent me [a letter], they sent my child care a letter, but I ended getting stuck with a $700 bill because I didn't get notice that the child care was being cut off." As noted earlier, while there may be many reasons why parents or providers do not receive these notices that are out of the control of the subsidy agency, agencies still need to examine their practices to make sure they do all they can to make sure notices are received, because failing to receive notification has serious consequences for both parents and providers.

On the most basic level, parents who do not receive notice do not know that they are being terminated and may not find out until many weeks later when their providers discover that the state will not pay the reimbursement request. This has several consequences. It makes it impossible or difficult for parents to avoid losing their subsidies, because they do not have an opportunity to take the necessary steps to come into compliance. In addition, as the parent in the preceding paragraph said, families end up continuing to use services without knowing that the state will no longer pay for them, and then are left with a large bill that they cannot afford to pay. This can also affect providers; many providers described being "burned" by this situation because they could not recoup these funds from low-income parents.[101]

## What Opportunities Do Parents Have to Affect the Outcome of the Termination Process?

The termination process itself can make it easier or more difficult for families to avoid termination. Procedures such as the notices described above, along with a grace period and an appeals process, can all help eligible parents who are trying to remain in the subsidy system.

## Grace Periods or Advance Notification before Termination Give Parents Time to Come Back into Compliance

As part of the notification process, parents can be given a grace period before a termination is made final, defined here as the period between when parents are notified they will be terminated and when they actually are. Some sites also referred to this as an advance notice of termination. This grace period can give parents the time they need to come back into compliance with the regulations so that they are not terminated; if this is not possible, it can help smooth their transition off subsidies. Grace periods were common in the ANF sites, though in some cases the policies varied within the site.

In 12 of the 14 sites where we have data,[102] all families were given a grace period before they were terminated. In the other two sites (Miami and Seattle) whether a family received a grace period depended on the reason for termination (table 7-1). Across sites, the grace period ranged from 10 to 20 days. In some sites, the grace period began as of the date of the letter, as was the case for one agency in New York City. In these instances parents may have a shorter time to come back into compliance before termination than the grace period indicates, because it may take a few days for them to receive the letter.

While almost all sites had a policy of providing a grace period to parents before termination, in practice the length of this period can be affected by the family's caseworkers. Caseworkers in one site were very confused about how long the grace period was and how it was implemented—they discussed at length whether giving 10 days' notice when parents fail to recertify meant the parents had 10 days to submit documentation before they were terminated, or whether they would be given another 10 days after that. The individual caseworker's understanding of the policy clearly affected the length of the grace period. At another site, a caseworker reported giving a grace period to parents who complained, even though the policy did not require it.

## Appeals Processes Give Parents the Opportunity to Reverse Termination

Respondents in many sites mentioned that parents could appeal their termination for subsidies (though we did not systematically collect data on this issue for all of our sites). This process can play an important role in keeping parents in the system because it gives them an opportunity to explain their case and present why they may have been unfairly terminated. In some sites (e.g., New York City, Buffalo, El Paso, Houston, and Los Angeles) families continued to receive subsidies during the time the appeal was processed, though parents in El Paso and Houston could have child care paid for only if they appealed within 12 days of termination. They were also expected to pay back child care costs for this period if they lost the appeal. At least in theory, this allowed parents to minimize disruptions of their work and child care situation while they were trying to work things out. A respondent in Buffalo, however, felt that continuing to receive child care subsidies was an incentive for parents to appeal because it extended the period in which they were receiving subsidies.

**Table 7-1. Grace Period or Advance Notification before Termination in the ANF Sites**

| 10 days | 12 days | 14 days | More than 14 days[a] |
|---|---|---|---|
| Birmingham | El Paso | San Diego | Los Angeles |
| Miami[b] | Houston | Oakland | Boston |
| Buffalo | | Milwaukee | Minneapolis |
| Jersey City | | | New York City |
| Seattle[c] | | | |

[a]Parents receiving subsidies through the Agency for Child Development (ACD) in New York City were given 15 days. We did not collect information on how long the grace period was for subsidies provided through the Human Resources Agency (HRA). In Los Angeles, the grace period was 16 days; in Minneapolis, the grace period was 15 days; and in Boston, the grace period was 30 days.

[b]In Miami, a 10-day notice was given only if the family lost assistance because they were over income limits.

[c]Families in Seattle may not be given a 10-day notice if they are over income limits at the time of recertification.

Regardless of whether families receive subsidies during the appeals process, this process allows parents to dispute their termination, and it is one procedure that can help families who want to stay in the system. We did not gather data about how often parents were successful in this process.

## Other Protections Can Also Help Parents Retain Subsidies

In addition to using notification, a grace period, and an appeals process, some sites had developed other strategies that could help families who had been terminated unnecessarily. Parents who were terminated in Minneapolis who became eligible for subsidies again within 90 days could reapply without going on the waiting list.[103] The agency in Denver allowed families who were at the end of their job-search child care period to retain their eligibility for subsidies for a period of time, although the families would not actually receive subsidies. As long as the parents found a job within this period, they could avoid termination.

El Paso took a slightly different approach and worked to minimize the likelihood that families would lose assistance for short-term changes in status—an important strategy, given that low-income families may face many temporary changes in their eligibility. In El Paso, a family could opt to have their subsidies "suspended" for up to 90 days, meaning that they were no longer receiving funding but their eligibility remained active. Parents could be "suspended" if, for example, their job was over temporarily (e.g., if they were working for the school district), the family left town temporarily, or the parent went on maternity leave and was not working. Within the 90-day period, the parent could start receiving subsidies again without going on a waiting list.[104]

While all of these strategies do not necessarily ensure that families can continue to use the same child care providers, they are critical in allowing families to retain their access to subsidies. These strategies are particularly important in sites that have waiting lists of families waiting for subsidies. Without these protections, families losing assistance because of short-term problems would have to wait for a long time before they could regain subsidies.

## How Does the Termination Process Differ for Parents on Welfare?

As with many of the other transitions discussed in the report, there were some important distinctions in the termination process between families receiving cash assistance and those who were not on TANF. Families receiving cash assistance were less likely to be terminated, which is not surprising given the incentives within the TANF system to keep families employed or in a work-related activity. Child care caseworkers in several sites noted that it was more difficult to terminate TANF families from the subsidy system. For example, caseworkers in both Oakland and San Diego commented that there really had to be a good reason for terminating welfare families. One caseworker noted, "Even if we do know [that they are doing something wrong]...there's nothing we can do about it."

Families that were receiving cash assistance generally found it easier to reenter the child care system after they lost their subsidies than families who were not getting cash assistance. In all of our sites, there were no subsidy waiting lists for families receiving cash assistance; so as long as the parents remained eligible and completed the reapplication process, they would receive subsidies. In contrast, in 8 of our 12 states, there were waiting lists for families not on cash assistance, which meant that if families not on the welfare program lost subsidies they could face waiting lists if they decided to reapply. As a consequence, reentry into the subsidy system can be more difficult for families not receiving cash assistance.

## Conclusion

Termination is an important process to examine, particularly because there are families who may lose subsidies for reasons other than loss of eligibility. If states want to maximize retention, it is useful to identify ways to minimize termination for these reasons, particularly given the likelihood that low-income families face many challenges that could result in inadvertent cutoffs (moving, changing address, being difficult to reach by phone, having family crises, in addition to the other issues highlighted in earlier chapters, etc.).

Again, the ANF sites varied in the extent to which they had policies that gave parents the opportunity to come back into compliance before they were terminated. While some sites did not seem to have these types of policies, a number had policies

such as advance notice, grace periods, and an appeals process that can help families avoid termination. To protect families where that does not work, additional policies, such as allowing families to retain eligibility after termination for a brief time and helping to minimize terminations by allowing short-term suspensions, can also be important. Given the severe consequences of termination, these strategies are important, particularly for families not in the welfare system, who can have a difficult time reentering the subsidy system once they lose subsidies.

# Chapter 8. Conclusions

By helping parents afford the child care they need for their children, subsidies play a critical role in achieving larger policy goals of reforming welfare and preventing welfare receipt and dependency. Subsidies also play a critical role for parents who want and need them. Across our sites, parents described the importance of child care subsidies in allowing them to work and in helping them care for their children. "I just thank God that the state has the program to assist me with the child care," said one Buffalo parent. "I wouldn't be able to make it without it."

Despite the importance of this service to both parents and policymakers, this report shows that even those low-income working parents who are eligible (and for whom funding is available) can, depending on where they live and their circumstances, face barriers in their effort to get and keep child care subsidies. These barriers—which are caused by child care subsidy policies and how they are implemented—not only make it more difficult for some parents to get and keep subsidies, but also may actually force parents in some cases to forgo subsidies to retain their jobs. Furthermore, respondents reported that these issues can act as deterrents that keep parents from applying, either because they start the process and it is too difficult, or because they hear from other parents that it is hard to get or keep subsidies. These factors may well provide at least a partial explanation for the low utilization rates found even among priority groups, as well as the high turnover rates for parents receiving subsidies.

This chapter pulls together the major themes of this report and discusses their implications. It then lays out some of the promising principles and practices that could be implemented by policymakers and others interested in improving access to and retention of subsidies. It concludes with a discussion of some of the opportunities and challenges the current context presents for such efforts.

## Major Findings and Their Implications

Across the many issues examined in the report, a few overarching findings emerge that have important implications for parents, administrators, and policymakers.

### Subsidies Can Be Complex to Get and Retain

The process of getting and retaining subsidies can be quite challenging for parents for several reasons. First, this process involves far more steps than has generally been recognized. The initial application process alone can involve several steps. Keeping the subsidy also involves multiple steps—requiring parents to report every change

that could affect their eligibility, in addition to having regular recertification requirements—which means that some parents must be in frequent contact with the state to retain their subsidy.

Second, it can be difficult to do what is necessary to comply with the policies and practices required at each of these steps. The level of burden imposed by any particular step depends on a complex interaction of state and local policy requirements, and how the policy is implemented in practice in the local agency. While some agencies had identified strategies that were more supportive, a number of parents faced either policy requirements or local office practices (or both) that made it more challenging for them.

Third, the cumulative impact of what parents have to do for each of these steps over time, and how they experience the process, can be difficult. Leslie, the hypothetical mother described in the introduction, illustrates this point. To recap, Leslie was a low-income single mother who needed subsidies to work. Over the period of less than a year, she experienced the following transitions in her life:

- She needed to apply for subsidies.
- A few months later she received a small raise.
- A month and a half later she was asked to change her hours to work evenings.
- A few months later she had to change providers.
- A month later she needed to recertify.
- Then she was laid off.
- After a few weeks of looking for work she found another job.

Figure 8-1 contrasts the experiences that Leslie would have as she went through these changes in her life, depending on the policies and practices of her local subsidy agency. It shows her experience under three scenarios.

- The "difficult" scenario, shown on the right side, represents what Leslie would have to do if more complicated policies and practices were in place. This scenario is not necessarily the worst possible scenario Leslie could face, but it does illustrate some of the complexity of what she could experience.
- An "easier" scenario represents the experience that Leslie would have if she were in a site where the policies and practices were more accessible at each stage, but where Leslie still had to report every change in circumstance to the agency between recertification periods. This is shown by *all* of the boxes on the left side of the chart.
- An alternative scenario—the "easiest" in terms of access and retention from Leslie's perspective—is one that illustrates what Leslie would experience if she were not required to notify the agency of any changes in her status between authorization periods. With this scenario, the processes within the dotted/italicized boxes under the "easier" scenario are not required, and Leslie would have to report only those changes that she wanted or needed to report, such as changing providers, to ensure payment and recertification.

## Figure 8-1. What "Leslie" Might Have to Do to Get and Keep Her Subsidy

"Easier" scenario[a] ("Easiest" scenario, only solid-line boxes)
Change in Leslie's Life
"Difficult" scenario
• Applies by phone
• Caseworker calls provider directly to set up subsidy
• Has presumptive eligibility, so subsidies begin immediately
• Mails in required documentation
Applies for child care subsidies
• Calls to make appointment, but repeatedly gets busy signal
• Takes time off work to visit office to make appointment and get paperwork
• Has long wait at office
• Has delay in appointment, so must wait several weeks
• Takes time off work to apply
• Has long wait at office—may not be approved at this point if there is a waiting list for subsidies
• Takes provider approval to provider and returns to office
• Has long wait at office to deliver provider approval paperwork
• Processing is delayed, so subsidy payments do not begin for a couple of months—Leslie pays in interim
• Calls to let caseworker know about raise
• Mails in required documentation
Gets small raise at work
• Calls to notify agency, but repeatedly gets busy signal
• Takes time off work to visit office
• Has long wait at office—may require return visit if do not have proper documentation
• Calls to let caseworker know about change in hours
• Mails in required documentation
Changes job hours to evening
• Calls to notify agency, but repeatedly gets busy signal
• Takes time off work to visit office
• Has long wait at office—may require return visit if do not have proper documentation
• Calls to let caseworker know about change in provider
• Mails in required documentation
• Caseworker coordinates with providers
• There is no delay in payment to new provider
Provider no longer can do evening hours, needs to change providers
• Calls to notify agency, but repeatedly get busy signal
• Takes time off work to visit office
• Has long wait at office—may require visit to provider and return visit to office to deliver paperwork
• Processing is delayed, so subsidy payments do not begin for several weeks—Leslie pays in interim
• Subsidy agency sends out recertification materials by mail one month before subsidy ends
• Mails in completed application and required documentation
Recertifies for subsidies
• Letter sent with appointment time for recertification
• Takes time off work to visit office
• Appointment delayed, has long wait at office
• Calls to let caseworker know about loss of job
• Subsidies continue as Leslie looks for job
Gets laid off from work
• Notifies subsidy office of loss of job
• Gets a few days' grace period, but then termination process begins
• Loses subsidy, loses slot in child care program
• Calls to let caseworker know about new job
• Subsidy adjusted accordingly
Finds another job
• Starts application process again (go to first box above)
• May or may not get subsidy depending on funding—might end up on waiting list for subsidies
• Find new childcare provider

[a]To imagine the "easiest" scenario for access and retention from Leslie's perspective, eliminate all of the processes in the dotted boxes. This would be the scenario if Leslie did not have to notify the agency of all changes between reauthorization periods.



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While all of the examples are drawn from the sites we visited, most of our sites fell somewhere in between. Consequently, this figure is not meant to depict a real site as much as it is meant to help clarify the possible cumulative impact of the policies and practices that shape access and retention.

Figure 8-1 illustrates that the cumulative impact of the policies and practices that Leslie would face in less accessible agencies could present a serious set of challenges to a parent needing to obtain and retain child care assistance. Under this scenario, for example, she might have to take time off work to visit the subsidy office nine or more times over a period of less than eight months. Given that she is likely to be in a job with little or no leave or sick time, this could be extremely difficult. In sites with more steps and hurdles, eligible parents who need child care assistance will find it difficult to apply for assistance or are likely to fall out of the system at any of these stages because of the difficulty of overcoming these barriers.

## Access and Retention Can Be Particularly Complex for Some Parents

Our research also suggests that the barriers to access and retention, where they exist, could be particularly problematic for specific types of parents. In some ways Leslie represents a fairly easy case; some parents face more difficult situations or challenges that can make accessing and retaining subsidies even more problematic. These include the following:

- *Parents who experience many changes in short periods of time.* As described earlier, it is common for low-income parents to have irregular hours of work or pay, or other unstable work or home situations. This instability already creates numerous challenges that are likely to make retention of employment and stable child care difficult for these families. Some of the subsidy reporting policies and practices described in this report create additional challenges for these parents. These families are the ones that many caseworkers were likely to require to come in more frequently for recertification, and they are likely to have to report the various changes every time they occur. The number and complexity of the required interactions, along with any additional challenges in how they are implemented, simply increase the possibility that parents in this situation would fail to be in compliance with requirements and consequently would lose their subsidy. This result, in turn, could inadvertently contribute even further to the instability of employment and child care situations for these families, rather than providing the support needed to stabilize the situation.
- *Parents who face other challenges.* Parents facing particular challenges, such as language or transportation barriers, also appear likely to have difficulty complying with these requirements. While not the focus of this study, respondents across a number of our sites discussed the difficulties facing parents who had inadequate transportation—a difficulty that is particularly likely to create a barrier to subsidy access and retention in those sites where parents had to come into the office in person because of policy or local office practices. Similarly, some agency staff mentioned concerns about parents with literacy or language challenges who may find it more difficult to understand and comply with program requirements.

Again, the complexity of any given interaction, and the cumulative impact of repeated program interactions, compounds this issue.

- *Parents working their way off TANF.* TANF parents face a unique situation. While they had better access to subsidies because of the high priority they had in all of our sites, they also could face additional challenges because they had to deal with more than one agency to get their subsidies. This was not a significant problem for parents living in sites where the agencies facilitated much of the process for parents and where the agencies worked together. But it was quite challenging for parents in sites where this was not the case. The lack of coordination and communication among some agencies not only placed a greater burden on the parents, it also seems likely to have increased the possibility of parents moving rapidly on and off subsidies as a result of communication problems, or falling between the cracks.

These findings are particularly problematic because parents who experience many changes, who face other barriers (such as language or transportation), or who are on cash assistance need additional support to become established and secure in the workforce. They are the focus of efforts to reform welfare. The fact that the barriers to subsidy access and retention may disproportionately affect them suggests that subsidy policies and practices may not be as effective as would be desirable in achieving the larger goals of welfare reform.

## Subsidy Policies and Practices May Inadvertently Undercut the Goal of Supporting Work

This research also shows that subsidy policies and practices, as implemented in some sites, may actually be operating at cross-purposes with the larger goal of helping low-income parents become established in the workforce. Because of office policies and practices around in-person visits and office hours in some sites, parents reported having to repeatedly take time off from their entry-level jobs to deal with agency requirements to access or retain subsidies. In some cases this was a requirement under agency policy; in others it stemmed from problems in agency management and accessibility. Parents made it clear that this was difficult for them, that it jeopardized their ability to perform well in their jobs, and that it affected how their employers perceived them. Some parents described the challenge of choosing between their work and doing what was needed to retain their subsidy. As noted earlier, a mother on TANF in Buffalo described this challenge by saying, "When...[my recertification] is in two weeks, I sit there puzzled thinking, I got to work that day. How do I tell my boss that I need off when I know we [her place of employment] are in high demand right now?"

These problems are particularly striking given that the focus of child care subsidies is to support low-income parents in the workforce. A Florida mother who was mentioned earlier commented, "[It is] almost like you have to be unemployed to be able to apply for all of these benefits, because if you were employed there would be absolutely no way the nicest employer would excuse all that time." The irony of this situation—that parents are having to jeopardize their jobs to retain the subsidies that

are designed to help them become established in the workforce—is clear. In some sites, the system appeared to be designed for a population that has indefinite amounts of free time, rather than for the low-income working (and often single) parent population it actually serves.

## Subsidy Policies and Practices May Inadvertently Undercut the Stability of Child Care Arrangements

While the focus of subsidy policies is usually on supporting parental work, subsidy policies have an effect on children as well. In addition to many other policies and practices that affect quality that are not examined in this study (e.g., reimbursement levels and payment approaches), the issues highlighted in this report also appear likely to have an impact on quality of care. In particular, the barriers to subsidy retention described here are likely to contribute to the short subsidy spells mentioned at the beginning of this report. These policies and practices may contribute to unstable child care situations among subsidized children, who may have to leave their child care program when their parents lose their eligibility for subsidy (unless the provider chooses to continue to serve the child at a loss).

This is problematic in two ways. First, on a very basic level, it is a problem for children's development. Research suggests that continuity of care and the development of a stable relationship with a nurturing caregiver is one of the most critical aspects of child care quality, and that it can have a major impact on children's development. This is worrisome given that low-income children are at particular risk for poor outcomes and can benefit most from good quality care. Local respondents shared these concerns. For example, a local administrator in one site discussed how hard it is on children to constantly be making these short-term transitions, saying, "I worry most about the children." Second, this situation is contradictory to one of the stated purposes of the Child Care and Development Fund, which is that the CCDF should "design programs that provide uninterrupted service to parents and providers, to the extent statutorily possible" (HHS 1998).

This problem is due largely to the fact that subsidy systems are designed so that a child's ability to get a subsidy is based solely on the eligibility status of the parent, so the child loses the subsidy when the parent's eligibility status changes. As a consequence, it seems likely that children in sites that tightly monitor every change in eligibility and terminate subsidies for families quickly when they become ineligible would have shorter spells of subsidies. This is in direct contrast to programs focused on children's development—such as Head Start and state prekindergarten—that ensure that the child is able to stay in the program for the full program year (or two) if the child is initially eligible, regardless of changes in the parent's status or eligibility.

## Strategies That Better Support Access and Retention

As this report has made evident, the root causes of the various barriers to access and retention can be quite complex, ranging from state or local policy, to local program implementation/agency management, to caseworker discretion. Yet there were many ways in which local sites in our study were working to address some of these issues. Building on some of the promising practices and approaches we observed, below we lay out a process by which agencies and advocates can begin to explore and address some of the barriers to utilization that might exist (see appendix 4 for a summary of these strategies). Some of these suggestions build on a technique ("backwards mapping") that has proven to be an effective strategy in assessing social service systems (Elmore 1979). Please note that this is a preliminary list, based only on what we observed; there are, no doubt, many other interesting policies and practices in other agencies around the country.

### Look at Questions of Access and Retention from the Parents' Perspective

One approach is to assess the accessibility of the system by examining how the system functions from the perspective of a parent—or client—and then by working backwards into identifying the causes of the problems uncovered and finding possible solutions. For example, it could be useful to ask the following overarching questions:

- What are parents' experiences in dealing with the subsidy system, and how easy or difficult is it for them to access and retain subsidies through the various transitions and life changes they experience? What aspects of the process are most difficult for them? For example, periodic client satisfaction surveys or focus groups, or an advisory group of parents, can serve to identify unexpected barriers to service, as well as to identify promising practices that are supporting parents effectively. (It can be important to have these conducted by a neutral party, to ensure that parents are able to speak freely without being concerned about jeopardizing their benefits.)
- If there appear to be barriers or challenges to access and retention, where do they come from? State or local policy requirements? Local agency practices or leadership? Agency resources? Individual caseworkers? Some combination of the above? A number of barriers that we identified in the focal sites did not necessarily have a single clear cause. It is essential to examine this question carefully to ensure that the root causes are addressed.
- Are these policies and practices necessary from the perspective of the agency? Are there other ways that the state or locality can meet its needs for accountability while reducing the burden on parents to support access and retention? What alternatives can be implemented to meet the needs of parents better?

## Examine Office Practices and Policies That Affect Client Service and Accessibility

As is described throughout this report, there are myriad office practices and policies that can affect the accessibility of the service. These are often related to the issue of whether client service is a focus of the state or local agency. The following are some of the areas that should be examined to assess office practices and policies:

- Examine the accessibility of the local office. Are caseworkers accessible by phone or fax? How long do parents or providers have to wait before they are able to get the information they need? What is the quality of the information they get? What are the office hours, for example? Do parents who need to come into the office have any options for evening or weekend visits? How reliable are the alternative forms of communication that parents have access to (e.g., phone or fax)? Can parents trust that the information will be dealt with appropriately if they are not there to monitor the situation, and what protection do they have if there is a problem?
- Examine the quality of caseworker-client interactions and explore the possible causes of problems. Work to ensure the responsiveness and effectiveness of caseworkers through adequate training, technological support, manageable caseloads, and a focus on client service.
- Look at how local agencies communicate with parents and ask whether there are ways to improve communication around various transitions to improve subsidy access and retention. For example, how and when is notice given to parents about eligibility recertification, terminations, and other transitions? Is this an effective way to notify parents? Are policies being implemented as planned?
- Focus on the leadership and management of local subsidy agencies, and provide clear incentives and policies around improving access and retention as well as client service. Are there policies or incentives that could be provided to support retention as there have traditionally been policies or incentives to minimize fraud? For which client service measures—such as how promptly phones are answered, whether parents are able to get appropriate information, how quickly parents are served—could local agencies be held accountable if they are given the resources to accomplish these goals?

## Assess Ways to Minimize In-Person Visits and Paperwork Requirements

In-person visits and paperwork requirements came up repeatedly as two of the most difficult agency policies/practices for parents, both across our sites and across the various interactions that parents had with the subsidy agency. Ways to assess these issues include the following:

- Examine whether parents are required either in policy *or in practice* to visit the agency in person for any individual transition. It is important to look beyond formal requirements to examine whether the local agency *practices* are such that par-

ents feel it necessary to come into the office even in the absence of a requirement. Explore whether there are other options that would minimize the need for parents to visit the agency while meeting the agency's various needs.

- Look at paperwork required in both policy and practice for each transition to assess the overall paperwork burden. Also look at whether parents are required to produce the same paperwork each time and whether there are ways to minimize duplication. Assess whether particular types of paperwork present particular challenges for parents (such as employer verification).
- Look beyond what parents must do for any individual interaction in terms of in-person visits and paperwork to the cumulative impact of these requirements on the many interactions the family must have with the agency.

## Examine the Ease or Difficulty of What Parents Must Do for Specific Transitions

In addition to examining the overall practices that can affect accessibility, it is important to look at specific policy requirements and practices that affect individual interactions that parents face. In particular, it would be useful to look at each requirement/practice in terms of the burden it places on parents, whether it creates a challenge for access or retention, and whether it can be simplified. For example,

- Explore the option of expediting the application and approval process so as to minimize delays for parents who need child care immediately. Policies such as application by phone or fax, and presumptive eligibility, can help ensure that parents are able to get child care quickly.
- Examine recertification requirements and practices to identify ways to reduce the burden on parents—for example, by lengthening the recertification period, examining the circumstances in which parents are required to come in more frequently *in practice*, and examining what parents are required to do (produce paperwork, provide employer verification, come into the office, etc.) as part of this process.
- Simplify the process of retaining subsidies when parents transition off welfare—for example, by eliminating requirements for parents to reapply or redetermine eligibility during this process, minimizing the burden associated with this process, and ensuring that parents know that they can continue to get subsidies.
- Assess reporting requirements for employment- and income-related changes—such as changes in hours, income, or work schedule—to see whether there are ways to minimize what parents are required to do (or have to do in practice). Also explore the possibility of minimizing these interim reporting requirements and relying more explicitly on the recertification process to identify changes in eligibility or subsidy level.
- Explore ways to support subsidy retention and child care stability among parents whose eligibility or income fluctuates, and examine how best to address the

needs of parents with irregular work schedules and incomes. This is particularly important given the dynamic nature of entry-level work.

- Examine the issues around supporting job search for parents who lose their job while they are getting subsidies, such as whether the policies provide sufficient time for parents to find a new job, and whether they actually allow a parent to keep their child in their current setting. For example, are they able to get a full subsidy? What are the implications of partial subsidies for providers and parents?
- Explore ways to ensure that parents are able to change providers relatively easily if needed, while balancing the needs of children for stable care. Examine the option of providing targeted counseling on choosing child care to those parents who frequently change providers.

### Look at the Termination Process

Termination itself is an important process that has an impact on retention. It is therefore important to examine whether there are protective mechanisms in place to minimize inadvertent terminations. In particular, examine the termination process and how it operates. For example, look at whether parents have a grace period that is sufficient to allow them to come into compliance, the notification process is working in a timely and effective fashion for both providers and parents, there is outreach to ensure that the family no longer needs or wants assistance, and steps are taken in each case to ensure that the family is not being terminated inadvertently.

### Facilitate the Process for Parents Who Deal with Multiple Agencies

Many parents, and particularly parents on TANF, have to deal with multiple agencies in the process of getting and retaining child care assistance. Depending on how the process is implemented, it can be relatively easy or quite challenging for parents. In examining this issue, it could be helpful for states and localities to identify whether parents have to deal with more than one agency in their efforts to obtain and retain subsidies. In cases where parents have to deal with multiple agencies, examine how the process works and whether there are ways the agencies can facilitate the process by improving interagency coordination and communication and minimizing the burden on parents.

(The Urban Institute is conducting further research on this issue; the results are forthcoming.)

### Identify Ways to Involve Other Individuals and Organizations Who Can Help Parents Get and Retain Subsidies

In addition to the staff of the child care subsidy agency, a number of other organizations and individuals help parents navigate their way through the child care subsidy system. Subsidy agencies can work to support these efforts. Subsidized child care providers can help parents both access and retain subsidies, and they can play a stronger role if they are seen as partners by local subsidy agencies. Local subsidy

agencies can ensure that providers are informed about the parent's situation (e.g., timing of recertification, possible termination) and know how to help parents through the system. Similarly, local Child Care Resource and Referral agencies that are not part of the subsidy program can help parents with this process if they are given information and outreach materials, and if they are able to work with the agency to support parents navigating the subsidy system.

## Opportunities and Challenges in Moving toward a Subsidy System Focused on Access and Retention

In looking at how to implement the changes suggested above, it is useful to recognize that in some ways the child care subsidy "system" in the United States is in a stage of transition. Several factors, including the following, have shaped where the system is today, and present both opportunities and challenges for those who are interested in improving access and retention.

### Funding Levels Are Growing But Are Not Sufficient

As described at the beginning of this report, state and local child care systems have grown dramatically in the last decade. Funding has been increasing since the late 1980s, and states have seen substantial growth since the passage of federal welfare reform in 1996. A recent study of child care spending in 17 states found that the increase in spending between 1997 and 1999 ranged from 17 to 311 percent, and half of the states had growth of 78 percent or more (Collins et al. 2000). Not surprisingly, this funding growth has created both significant opportunities and significant challenges for states.

Looking first at the challenges, the primary focus and responsibility of many state and local agencies over the last decade has been to get the funds out the door and distributed. As a consequence, many agencies have been hard pressed to develop service delivery systems and have had little time to focus on how the services are delivered. In some states these challenges have coincided with the additional challenges and opportunities of restructuring the state's administrative structure.

In addition, despite the increased funds, most of our focal states still did not have sufficient funds to serve all eligible applicants for services. Consequently, sites have not had a strong incentive to focus on why parents might disappear out of the system or why parents do not apply, because there have usually been other parents waiting for service. Furthermore, the larger context of scarce funds has given local agencies and caseworkers a strong incentive to monitor closely the accuracy of subsidy levels for parents receiving subsidies, because agencies often are acutely aware of the fact that there are eligible parents needing assistance who are unable to obtain it.

The increased funds have also provided opportunities to develop a different approach. In particular, a few states have used the increased resources and changes in federal policy to commit to serving all eligible parents below a certain income

level, regardless of welfare status, although they generally have not gone as far as creating a real state entitlement to services. The availability of additional funding for services has allowed policymakers in some states to begin to explore how to support access better—for example, by trying to identify ways to conduct outreach to eligible parents and by examining other factors that may affect whether parents are able to participate.

One of the challenges of addressing these issues is that making improvements in access and retention *without investing additional resources* may simply increase the number of eligible parents who end up on waiting lists or not being served. This could occur because subsidy slots would not turn over as rapidly if eligible parents found it easier to retain subsidies, meaning that there would be fewer slots available for new parents trying to obtain the service. When this issue is coupled with indications that some states may be facing cuts in their child care budgets as the economy tightens, it suggests that states will face yet another tradeoff in their efforts to determine whom to serve with scarce resources.

## Moving from a Focus on Welfare to a Focus on Supporting Work

Child care subsidies became a federal focus as part of the 1988 welfare reform legislation, and were further expanded under the 1996 welfare reform legislation. While child care subsidies have always been available (to varying degrees) to at least some nonwelfare families, child care has often had some association with the welfare system at the state and local levels. This history seems likely to have supported a strong focus on accountability and fraud in many sites, rather than a focus on improving access and service delivery. It probably also contributed to a system that seems sometimes to be designed for clients who have significant amounts of time available, rather than for working parents.

However, there is also a growing interest in designing social service systems that support working families. The declines in the TANF caseloads, time limits for welfare, and other factors have significantly increased awareness about the importance of supporting employment and preventing welfare *dependence* among low-income working parents. The result is a unique and growing opportunity to reassess systems in terms of the extent to which they support *work* among low-income working families and help prevent welfare receipt. In this effort, there is much to be learned from other services that have demonstrated a stronger interest in reaching out to help parents access and retain the service, such as the State Children's Health Insurance Program (SCHIP)—at least in some states—or Head Start.

## States Have Enormous Discretion, with Few Federal Requirements

States have the ability to address almost all of the issues highlighted in this report because most of these issues are not regulated at the federal level. Therefore, states and localities that wish to develop systems that are more focused on access and retention are not likely to face any federal penalties (Greenberg et al. 2001).

The supportive policies and strategies that we highlighted throughout this report are clear proof that states can make a difference in access to child care. While we often found policies and practices that created barriers, in every area there was usually at least one site that had identified an easier alternative. The examples of less burdensome practices make it clear that state and local subsidy agencies can balance their need for information and accountability with improving access and retention. In addition to making it easier for parents, these practices may be beneficial for the subsidy agency by reducing the administrative costs that are associated with the close scrutiny and focus on fraud that we observed in some agencies. It would be interesting to examine whether agencies that require in-person visits for every change in income or eligibility incur higher costs in staff time and processing, or whether—in addition to creating a substantial burden for parents—they increase the likelihood of error or of parents falling between the cracks.

While a number of our agency respondents appeared interested in improving service delivery, it was not clear that they had had many formal incentives, resources, or forms of technical assistance[105] available for this effort. The federal Child Care and Development Block Grant/Child Care and Development Fund program has few requirements for states in this area, and to date little research has been done on this issue. The extent to which states or localities have focused on issues of access and retention has been determined by state or local agency leadership, with relatively little external information or support.

## Decentralized and Privatized Systems Provide Opportunities and Challenges

Subsidies are often managed by Child Care Resource and Referral and other nonprofit agencies. The fact that the child care system is relatively decentralized, and that it is privatized in many communities, illustrates both the strengths and the weaknesses of a decentralized approach. On the one hand, parents can get significantly different services and treatment even if they live in the same town, depending on which agency they go to, and it can be difficult to control local policies and implementation if there is a decentralized system. On the other hand, there are a wealth of different approaches to subsidy administration and provision at the local level; such diversity can provide fertile ground for creative strategies and promising approaches. Furthermore, in cases where services are contracted out to private agencies (such as child care resource and referral agencies and other local service contractors), it could—at least in theory—be somewhat easier for states to require a focus on access and retention.

## Improving Retention Can Support Quality of Care

The growth in the subsidy system nationwide has coincided with an increased awareness of the importance of good quality care for supporting the school readiness of low-income children. This convergence has increased concerns about the quality of care that low-income children are receiving through subsidies, as well as about subsidy policies and practices that could affect the quality (and stability) of that care.

This area of interest could lead to the development of subsidy policies that support more stable arrangements and that focus more on the well-being of the child rather than the eligibility of the parent.

In conclusion, when we look across all the issues highlighted in this report, we find that there are a number of subsidy policies and practices that make it difficult for low-income eligible families, particularly low-income families who face additional challenges, to obtain and retain the child care assistance they need to work. This research suggests that these practices may inadvertently undercut several of the fundamental goals of the child care subsidy system: supporting work, reducing welfare receipt, and promoting stable child care. These policies may also result in the low utilization and subsidy turnover rates in the child care system. Yet there are good examples of policies and practices that support access and retention, and states and localities have the freedom to implement such strategies in the current federal context. Consequently, while these strategies will not address the larger access constraints caused by inadequate funding levels, taking steps to make the subsidy system more accessible to low-income families could help support the larger policy goals of supporting work among low-income parents and more stable child care for their children.

# Appendix 1. State and Local Administrative Structures in the 12 ANF Case Study States[106]

***(Summer-Winter 1999)***

## Alabama

Alabama had a single subsidy program, which was administered at the state level by the Office of Child Care Subsidy in the Welfare Reform Division of the Alabama Department of Human Resources (DHR). Before welfare reform, child care subsidies were administered by the Family Services Division of DHR, though reportedly this change did not result in any significant changes to the program or services. At the time of our site visit in the summer of 1999, all key child care policies were set at the state level by the Office of Child Care Subsidy. Locally, the subsidy program was administered by 12 local Child Management Agencies (CMAs). CMAs were nongovernmental organizations, and included child care resource and referral agencies and other nonprofit organizations.

## California

California had three main low-income child care subsidy programs, which were administered at the state level by either the California Department of Social Services (CDSS) or the California Department of Education (CDE). These programs were as follows:

- CalWORKs child care provided subsidies for families who were or had been on CalWORKs (California's welfare program). CalWORKs, implemented in August 1997, created a three-stage child care delivery system, with CDSS responsible for administering Stage 1 and CDE responsible for administering Stages 2 and 3.
- Alternative Payment program for non-CalWORKs families provided vouchers for low-income working families who had never been on CalWORKs. This program was administered by CDE.
- Contracted child care provided subsidies for low-income families through contracted child care providers. There were approximately 850 agencies holding child development contracts, about 40 percent of which were school districts and county offices of education. The program was administered by CDE, which directly contracted with local child care providers.

Regulations and statutes for the subsidy program—including major policy issues such as eligibility levels and copayments—were set at the state level, but local agencies could develop policies that were not in conflict with law or regulation.

At the local level, subsidized programs were administered by a mix of governmental and nongovernmental entities. CalWORKs Stage 1 was administered by CDSS through its county welfare departments (CWDs); increasingly, CWDs were contracting with other local agencies (including Alternative Payment [AP] and resource and referral agencies) to administer Stage 1 child care. Stages 2 and 3 were administered by CDE-contracted AP programs, which maintained waiting lists, certified eligibility for families, facilitated child care arrangements, executed provider service agreements, and made payments to providers. Many programs also offered social service referrals, provider training, and other resources.

## Colorado

In Colorado, the Division of Child Care in the Colorado Department of Human Services had been the lead state agency responsible for providing child care assistance to welfare and other low-income families since 1990, through the Colorado Child Care Assistance Program. County departments of social services administered the child care assistance programs and played an important role in child care policymaking. As a result of Colorado Works (Colorado's welfare reform bill), state laws were changed to allow counties to define income eligibility levels within parameters established by the state and to allow flexibility in the amount counties reimbursed providers. A major exception to county flexibility was the parental fee, which continued to be defined at the state level and was uniform throughout the state.

## Florida

Florida's child care subsidy program was administered by the Department of Children and Families. The state set all key child care subsidy policies, including eligibility levels, maximum reimbursement rates, and sliding fee scale. At the local level, the child care subsidy program was administered by 25 community child care coordinating agencies (4Cs). These agencies were contracted by the local district offices and could be nonprofit or governmental agencies, although most tended to be nonprofit organizations.

## Massachusetts

Massachusetts's subsidized child care program was administered at the state level by the Office of Child Care Services (OCCS). Although the state was split into regions, all major policy and programmatic details for subsidized child care programs were decided by OCCS. Before national welfare reform in 1996, administration was more decentralized at the state level, with three state entities (Department of Transitional Assistance, Department of Social Services, and Office for Children) involved in funding, coordination, and administration.

At the time of our site visit in the fall of 1999, the administration of subsidized child care at the local level varied depending on the payment mechanism. Subsidized child care was delivered through two separate payment systems. First, OCCS contracted with child care centers and family day care home networks to deliver subsidized care to a set number of children. This "contract" approach guaranteed providers funding for a set number of child care slots during the established time period. Providers played major roles in recruiting families, conducting intake for subsidies, and monitoring eligibility.

Second, OCCS contracted with local child care resource and referral agencies to administer a child care "voucher" system. By relying on the statewide network of child care resource and referral agencies, this system provided subsidies directly to parents, who were able to use these vouchers to secure care from any legal provider in the market. The agencies were responsible for client recruitment, intake, and eligibility reauthorization. While both administrative systems could be used by all types of families, most contracted slots were used by nonwelfare families, and most vouchers were used by families receiving welfare.

## Michigan

Michigan's subsidy program was administered at the state level by the Child Development and Care Division of the Family Independence Agency (FIA). The child care subsidy system was designed and administered by the state, with eligibility, reimbursement rates, and the rate structure determined by the state legislature. FIA managed the funding, set policies, and administered the child subsidy program. Until 1996, AFDC families in Michigan received an earnings disregard for child care expenses, while working families received child care subsidies. After 1996, there was a single child care subsidy program for both FIP (Michigan's TANF program) recipients and other low-income families. At the local level the program was administered at FIA offices, where multifunctional caseworkers called Family Independence Specialists (FIS) determined eligibility and authorized payments. These caseworkers also handled FIP and food stamps.

## Minnesota

Minnesota had three child care assistance programs, which were administered at the state level by the Minnesota Department of Children, Families, and Learning (DCFL). The three subsidy programs were as follows:

- Minnesota Family Investment Program (MFIP) Child Care served families receiving assistance through MFIP (Minnesota's welfare program);
- Transitional Year (TY) Child Care served families for a year after their MFIP case closed; and
- Basic Sliding Fee (BSF) Child Care served low-income working families.

DCFL was created in 1995; when all child care and child development programs from other state agencies (departments of Economic Security, Human Services, Cor-

rections, and Public Safety) were consolidated to replace the Department of Education. The new agency's goal was to offer more opportunities for integration of child care and child development services.

Locally, the subsidy programs were administered by county human services departments. Although all major child care subsidy policies were set at the state level, counties had flexibility in how they implemented policies and structured their services, including the option to contract out administrative responsibilities.

## New Jersey

In New Jersey, child care subsidies were administered at the state level by the Division of Family Development within the Department of Human Services. The division was responsible for the planning and development of child care policies. There were two child care subsidy programs in New Jersey: the child care component of Work First New Jersey for welfare recipients and the New Jersey Cares for Kids program for the working poor.

These programs were administered at the local level by a "unified child care agency" within each county. In almost every county, a child care resource and referral agency had been assigned the role of unified child care agency. This administrative structure had been in place since April 1997, when the state created a "Unified Child Care Delivery Service System" for the purpose of increasing access to subsidized child care and delivering more efficient subsidized child care services. The administrative change brought together the funding for subsidy programs, resource and referral services, and other services relating to children and families (such as family preservation and support services).

## New York

In New York, the child care subsidy program was administered by the Office of Children and Family Services within the New York Department of Family Assistance. This state agency set the income eligibility level, the basic copayment formula, and some of the priorities for receiving subsidies. Counties were responsible for administering the program and had a lot of flexibility in how they organized the administration of the program. Child care policies, such as reimbursement rates and other eligibility priorities, were set by counties within the general guidelines of the state.

At the local level, the subsidy program was administered by the local social services agency. In Buffalo, the program was administered by the Erie County Department of Social Services; within this agency, the Public Assistance Unit handled families on public assistance and the Day Care Unit handled nonpublic assistance families and public assistance families in training activities. In New York City, the Human Resources Agency handled welfare families through a voucher system; the Agency for Child Development had both a contract and a voucher system and handled primarily nonwelfare families and some welfare families (those who used a contracted provider).

## Texas

As a result of state legislation related to welfare reform and to the reorganization of the state's workforce development system, in June 1996 the child care subsidy, TANF Employment (Choices), and Food Stamp Employment and Training programs were transferred to the newly created Texas Workforce Commission (TWC). Before that time, the child care subsidy, AFDC, and Food Stamp programs were all administered by the Texas Department of Human Services.

After the reorganization of the state's workforce development system, the authority to manage child care was shifted to 28 Local Workforce Development Boards (LWDBs). TWC provided statewide guidelines for child care policies, but the LWDBs basically had the authority to set their own policies (within these guidelines) on parent fees, reimbursement rates, income cutoffs, and priorities. The members of the LWDBs were leaders from both the private and nonprofit sectors and were appointed by mayors and county judges. At least one member of the LWDB was required to have expertise in child care and early childhood education. El Paso was part of the Upper Rio Grande workforce area. Houston was part of the Gulf Coast workforce area.

The LWDBs contracted with local agencies to administer child care. Before the creation of the LWDBs, the state had contracted with agencies to be Child Care Management Services (CCMSs). Many of these original contracts with CCMS agencies were handed over to the LWDBs when they took control. CCMS agencies were the service providers who interacted with families needing child care assistance. Specifically, CCMS agencies were responsible for determining eligibility for parents, ongoing case management, establishing contracts with providers, monitoring and evaluating child care programs, and authorizing and issuing payments for providers.

## Washington

Child care subsidies in Washington were administered by two agencies: the Economic Services Administration and the Office of Child Care Policy. Both were part of the Department of Social and Health Services. The Economic Services Administration administered the larger subsidy program, called Working Connections Child Care. The Office of Child Care Policy in the Children's Administration administered several smaller subsidy programs, including teen-parent child care, seasonal migrant child care, homeless child care, child protective services child care, child welfare services child care, and employed foster parent child care.

Before welfare reform, there were several subsidy programs, including AFDC/JOBS child care, transitional child care, and employment child care. AFDC/JOBS child care and transitional child care were administered by the Economic Services Administration, and employment child care (for low-income working families) was administered by the Office of Child Care Policy. After welfare reform, these programs were integrated into one larger program (Working Connections Child Care), which was administered by the Economic Services Administration.

At the local level, Working Connections Child Care was administered by the local DSHS agency through community service organizations (CSOs). In King County, there were 11 CSOs. Although the state set the subsidy policies in terms of the reimbursement rates, copayments, and income guidelines, CSOs had a lot of leeway in how they set up the child care program. In King County, for example, some CSOs had welfare caseworkers handle child care, while others had dedicated child care caseworkers.

## Wisconsin

Wisconsin's child care subsidy program (known as Wisconsin Shares) was administered at the state level by the Office of Child Care, which was in the Division of Economic Support in the Department of Workforce Development (DWD). All subsidy policies were set at the state level. Before Wisconsin's TANF program (W-2) began, two divisions in the Department of Health and Social Services were responsible for administering child care (the Division of Community Services and Division of Economic Support). When DWD was created in July 1996, all state child care responsibilities, with the exception of licensing, were transferred to the Office of Child Care.

At the local level, the child care subsidy program was administered in one of two ways at the time of our site visit. In most counties, the Department of Human and Social Services administered both the W-2 program and the child care subsidy program. In 12 counties (including Milwaukee County), however, the state contracted with a private W-2 agency either because the counties did not want to administer the W-2 program or because they did not meet state performance standards. While we did not collect information on how subsidies were administered in all of these 12 counties, in Milwaukee County, both the W-2 agency and the county were involved with some aspects of child care. For example, families could apply for subsidies through the W-2 offices, while the subsidy payments were handled by the county.

# Appendix 2. Study Methodology

This research was part of the case study/policy research component of the Urban Institute's *Assessing the New Federalism* (ANF) project. This study uses a comparative case study design to explore the implementation of state child care subsidy programs in the aftermath of national welfare reform. Data were collected from 17 sites in 12 of the 13 ANF states from June 1999 to March 2000.[107] These states were chosen for the larger ANF study because they include a large proportion (more than 50 percent) of the nation's population and they represent a range of geography, fiscal capacity, citizens' needs, and traditions of providing government services. Because these states also contain such a large proportion of the U.S. population, they represent the social services provision encountered by most Americans. The Urban Institute also gathered data about child care subsidy systems in these 13 states during late 1996 and early 1997 (Long et al. 1998).

Because many of the issues we were examining were affected by how subsidy policies were implemented at the local level, the research team focused on one to three local sites within each of these states.[108] Data were collected through interviews, focus groups, and document analysis. To improve the validity of our conclusions, we triangulated key research questions by asking them of different actors within each state. Eight semistructured interview and focus group protocols were used to standardize data collection across these implementation actors and across specific state contexts. These protocols explored many topics, including the processes involved in obtaining and retaining subsidies, such as application, recertification, and transition off welfare; subsidy policies, including eligibility, parental fees, and reimbursement rates; and how these processes and policies were experienced by caseworkers, families, and child care providers.

In each state, the state administrator of subsidized child care programs and a state-level policy advocate participated in telephone interviews, which were tape-recorded to improve accuracy. In states with multiple subsidized child care programs, all administrators were interviewed. In total, 14 senior administrators and 12 policy advocates were interviewed.

In each local site, the research teams conducted face-to-face interviews with the senior manager responsible for the delivery of child care programs and, in most cases, with a nongovernmental respondent who did not directly participate in subsidy administration. We also interviewed multiple local administrators in sites (e.g., Minneapolis and New York City) where separate agencies handled subsidies for TANF and non-TANF families. Interviews were also conducted with additional governmental respondents in sites where there were local agencies involved in some policy aspects of the subsidy program, though they did not directly administer the program. For example, in El Paso and Houston, we also interviewed members of the local workforce boards, because the boards determine subsidy policies. In the end, 18

local administrators and 15 key respondents participated. Teams of two researchers conducted and audio-recorded these interviews to improve the reliability of information recording.

To understand more about the local implementation of the program and its effect on families and the child care market, the research team also conducted focus groups in each site with the following:

- *Parents receiving subsidies.* Usually the team conducted two parent focus groups: one with parents who were receiving cash assistance and one with parents who were not on cash assistance. We conducted a total of 33 parent focus groups and spoke with a total of approximately 200 parents receiving subsidies across the 17 sites.
- *Subsidy caseworkers.* Again, separate caseworker focus groups were conducted in sites where one set of caseworkers handled only families receiving cash assistance and another set handled families not receiving cash assistance. The research team conducted a total of 27 caseworker focus groups and spoke with roughly 190 caseworkers across the 17 sites.
- *Providers.* The research team conducted one focus group with providers in almost all sites except New York City, where separate focus groups were conducted for voucher and contracted providers. The research team conducted a total of 18 child care provider focus groups and spoke with approximately 150 child care providers across the 17 sites.

Focus group participants were recruited by local nonprofit organizations according to uniform selection criteria provided by the research team. At all parent focus groups and the majority of provider focus groups, the research team furnished food and additional compensation as an incentive to participate. While diverse nonprofits assisted in participant recruitment, minimizing the likelihood of systematic bias across sites, the organizations were more likely to be aware of formalized child care settings. As a result, our parent and provider focus groups more often reflected center-based or family child care settings than relative or in-home care, so the unique challenges and perspectives of the less formal parts of the child care market are underrepresented.

When each research team left each local site, they consulted tapes and notes to create detailed interview and focus group notes. They also compiled summary memos that integrated themes and issues about the daily operations of the subsidized child care system at that site. Senior researchers reviewed these notes and memos and held case analysis meetings to clarify ambiguity and explore emerging issues. These meetings improved the clarity of data recording and enhanced intracase reliability.

In addition to the collection of primary data, this study draws on existing sources of information. Policy and administrative reports written by state administrative agencies, advocacy groups, and service providing agencies were used. In some cases, these sources provided important context for the research team before they went on site. In other instances, these documents were actually entered into the project database for analysis.

This study also benefited from national studies of state child care subsidy systems. Information from the National Study of Child Care for Low-Income Families (being conducted by the National Center for Children in Poverty and Abt Associates) was incorporated during data collection and data analysis stages to improve the accuracy of the findings.

To assist with the analysis of the qualitative data gathered in this study, the research team used computer software called QSR Nudist. This software allows for the development of both deductive and inductive coding and for the modification of coding categories as the analysis proceeds. Collaboratively, the research team developed the coding structure based on important issues observed in data collection and pressing policy and implementation concerns. Two members of the research team applied initial codes and checked reliability to allow for systematic applications of codes to the entire database. Following this initial process, several members of the team did analysis on particular topics and wrote sections of reports resulting from this project.

# Appendix 3. Changing Geographical Locations

Another transition for low-income families is a change in where they live, which may be the result of changes in family circumstances, changes in jobs, inability to afford housing, or other situations. Research indicates that low-income families are more likely to move than higher-income families (Schachter 2001). For families receiving subsidies, although moving does not necessarily change their need for child care assistance, these changes in location can have implications for their continued receipt of subsidies. The move can be related to other changes, such as a change in job, that can change the family's eligibility or subsidy and can also mean a change in the agency that handles subsidies. This section focuses on the latter instance—what happens when a family leaves the geographical jurisdiction of the subsidy agency—as chapter 5 provides information on what families must do when they experience a change in their job or income.

The likelihood a family's move will result in the family leaving the jurisdiction of its subsidy agency depends in part on the size of the geographical jurisdictions of local subsidy agencies.[109] In particular, these issues are more salient for families in areas with smaller jurisdictions and for families who live on borders between jurisdictions/states, because they are more likely to move out of a jurisdictional area even when simply moving a short distance away. In the ANF sites, the size of the geographical jurisdictions of local subsidy agencies varied widely. In Denver, one agency administered the program for one county, while in Houston, one agency administered the program for 13 counties.[110] As a consequence, families in Denver were far more likely to move out of the jurisdiction of their subsidy agency—as one Denver respondent noted, "Individuals live in one county, drive through another, and work in a third, and all the policies and rates change from one county to the next."

Whether a family is able to retain its subsidy when it moves out of the jurisdictional area of its agency depends on whether the family is still eligible, what it has to do to retain subsidies, and whether the family is likely to face delays or interruptions in services. In terms of eligibility, 10 of our 12 focal states determined eligibility requirements at the state level. Because these requirements were uniform across the state, movement across jurisdictions would not make families ineligible for subsidies. However, in two states—Colorado and Texas—eligibility cutoffs were set locally, which can mean that families might lose eligibility for subsidies if they crossed jurisdictional borders, even though their income might not have changed. This issue is most likely to affect working poor families at the higher ends of the income eligibility scale, because this is where localities have more flexibility regarding eligibility rules.

The next issue facing families who move out of the jurisdiction of their subsidy agency is what they must do to continue to receive assistance if they are still eligible. In many of the ANF sites, parents had to either reapply or redetermine their eligibility when they moved to a different jurisdiction.[111] In some ways, this is not surprising because, as one Wisconsin respondent noted, the family's information and status can change dramatically during this time. It is also important to note that (as has been found for other transitions) TANF families may face slightly different situations because they also have to handle the requirements of the TANF system.

Although these requirements may be particularly difficult for families during this transition, because parents may also be starting a new job and dealing with the various challenges associated with a move, requiring families to come into the office to reapply can ensure that the subsidy office has the appropriate paperwork and information. A number of sites had policies and practices in place to smooth the reapplication process for families in some way.

- In many sites, respondents noted that staff would try to contact the new site or send over new paperwork to help the process move more quickly and smoothly.[112] Respondents in Birmingham and Houston mentioned, however, that how well this worked depended on where the person was moving, because of different interagency relationships and styles.
- Some states[113] either had or were in the process of getting computer systems that functioned across counties, allowing workers in one county to access information on clients from other counties, though the parent still may need to come into the office (as was true in Milwaukee).

Though many of the ANF states had mechanisms in place to smooth this transition, for these facilitating mechanisms to be activated, families obviously must notify their current subsidy agency of their plan to move. A respondent in Colorado noted that, though the goal is to make sure "care is not interrupted," sometimes parents do not tell their caseworker they are moving and then show up at the new subsidy agency frantic. In this case, the parent must start from the beginning and apply for subsidies.

Even if families do take all the appropriate steps required to retain their subsidies, they may also face delays or interruptions in their subsidies if there is inadequate funding in the new jurisdiction,[114] if they have to wait for documents to be transferred from the old agency, or if there are delays in processing the paperwork at the new agency (as is described in chapter 2). In Miami, for example, Florida WAGES clients had to wait until their case was transferred before they could begin with subsidies. The transfer could often take about a month, after which families would still need to get an appointment and reapply.

Sites varied in how they dealt with these delays. First, some states with waiting lists may give priority to incoming families. In Birmingham at the time of our site visit, families would continue to get served if they moved, as long as they were still eligible, so they were able to bypass any waiting list in their new locality. San Diego took a slightly different approach; it put families who moved into a locality on the

waiting list, but as first priority. Though this does not eliminate the wait for subsidies, it can reduce the period that families go without subsidies.

A number of sites[115] tried to ensure that families' receipt of subsidies would not be interrupted when they moved—whether because of waiting lists or processing delays—by providing subsidy funds that acted as an eligibility bridge. The length of this funding varied from 30 days to eight months.[116] Even with this policy, families still may face interruptions in subsidies in areas where the waiting lists are longer than the eligibility bridge. One respondent noted that she will tell clients, "We'll give it to you for six months and pray to God your name comes up before then. You've got six months' warning, so you better stick away some money just in case."

In conclusion, it is clear that for many families, moving from one geographical area of a state to another will interrupt their subsidies at least briefly, and, for states that have waiting lists, could interrupt it for quite a while. States can facilitate—and a number of our ANF states have facilitated—the process of changing geographical locations through developing mechanisms that smooth over this gap by maximizing the efficient transfer of information between agencies, minimizing requirements for reapplication, and working to bridge any gap in subsidy receipt because of processing problems or inadequate funds.

This issue is difficult for localities in states with inadequate funds. Such areas must decide which to serve first: low-income new residents in their locality who had previously been receiving subsidies, or equally low-income residents who are already living in the community who have been waiting for help for some time. These tradeoffs will continue as long as there are not enough resources to serve all of the eligible families who apply.

# Appendix 4. Developing Strategies That Can Support Access and Retention of Child Care Subsidies

There are many policies and practices that state and local child care subsidy agencies can implement to support access and retention of child care subsidies. The list below is based on strategies used by local agencies observed in our ANF site visits, and provides ideas that subsidy agencies can use to assess their policies and practices in this area.

### "Backwards Mapping" — Assessing Service Delivery

One approach to assessing social service systems is to examine service delivery and then work backwards to assess the causes of any structural problems (Elmore 1979). For example, this could involve asking:

- From the parent's perspecitve, how easy or difficult is it to access and retain subsidies through the various transitions and life changes they experience? (This can be assessed through parent surveys or focus groups.)
- What is the cause of any barriers or challenges to access and retention? State or local policy requirements? Local agency practices or leadership? Agency resources? Individual caseworkers? Some combination of the above?
- Are these situations unavoidable from the perspective of the agency? Are there other ways that the state or locality can meet its needs while reducing the burden on parents to support access and retention?

### Developing Strategies that Can Support Access and Retention

*1) Focus on client service and accessibility*

- Accessibility of subsidy agencies can promote access and retention. Issues to consider: Are office hours accessible to working parents? Are parents able to contact the agency easily, and be served promptly?
- The quality of caseworker-client interactions are key in affecting how easy it is for parents to access and retain subsidies. Issues to consider: How responsive are caseworkers and how good is the information they provide? Do caseworkers have training and technological support and reasonable caseloads? To what extent do agencies focus on helping caseworkers provide good client service?
- What parents have to do for any particular interaction with the agency (for example, visiting the office in person or paperwork requirements) can also affect whether families use subsidies. Issues to consider: Are there alternatives to in-person visits (i.e. phone, fax, mail, Internet access) and, do they work for parents?

What paperwork and documentation is required? Are there ways to reduce paperwork requirements?

- Good communication with parents around various transitions is key to helping parents get and keep subsidies. Issues to consider: How and when is notice given to parents about eligibility redetermination, terminations, and other transitions? Is it clear, timely, and working as planned? Is it accessible to parents with low literacy or limited English proficiency? Are there other ways to reach parents, such as enlisting the assistance of child care providers?
- Local agency leadership and management that is focused on good client service and efficient and accessible service delivery is critical to supporting access and retention. Issues to consider: Are there incentives and policies that focus on access and client service? Do local agencies work to minimize burden on parents and maximize access and efficiency? Do agencies have mechanisms by which they can get periodic feedback on how to improve service delivery?

*2) Assess the ease of requirements for parents at specific transitions*

To keep their subsidies, parents must interact with subsidy agencies during a number of key transitions. In addition to issues of what parents must do for each transition (i.e., whether they must visit the office, and paperwork requirements), there are some specific requirements that are unique to different transitions. Issues to consider:

- *Initial application process:* How many different steps are involved? Are there delays, and why? Are there ways to expedite the process—such as application by phone or fax, and presumptive eligibility?
- *Recertification process:* How often do parents have to recertify for subsidies (in policy *and* practice)? Under what circumstances must they recertify more frequently? Are they reminded about recertification dates, and are these procedures effective?
- *Transition off welfare:* Are parents told that they can continue to get subsidies, by whom, and at what point? Are there ways to minimize or eliminate requirements for reapplication during this transition?
- *Employment-related changes:* How do employment-related reporting requirements affect parents overall, and particularly those with fluctuating eligibility, income, or work schedules? Can requirements be minimized—i.e., by relying on the recertification process rather than interim reporting? Are full subsidies available during job search so that parents have enough time to find a new job and keep their child in their current setting?
- *Changing providers:* Can parents change providers easily? Are there procedures to promote stable child care for parents that frequently change providers—i.e., by providing intensive child care resource and referral services?
- *Termination process:* What triggers termination? Are parents notified in a timely way? Is there a grace period where parents can address the problem? Is there an

appeals process and do parents use it? Are there efforts to identify and minimize inadvertent terminations (i.e., where families lose subsidies for other reasons besides fraud or no longer being eligible)? In these situations, is there outreach to ensure that the family no longer needs or wants assistance?

*3) Facilitate/coordinate multiple agency interactions*

Multiple agencies can be a reality for families receiving multiple services. Whether this presents a burden for parents depends upon whether agencies coordinate and communicate. Issues to consider: To what extent are parents required to visit and/or provide similar documentation to multiple agencies? Do the agencies minimize parent burden by communicating and coordinating services?

*4) Use other individuals and organizations to help access and retention*

Other individuals or organizations (i.e., child care providers or community organizations) can help parents access and retain subsidies. Issues to consider: What role do or can other entities play to support subsidized parents? What can subsidy agencies do to support the efforts of these groups?

## Notes

1. In Texas, local jurisdictions were allowed to set their eligibility levels up to 85 percent of the state median income level.

2. Alabama, California, Florida, Massachusetts, Minnesota, New Jersey, New York, and Texas. Nationwide, approximately one-third of states had waiting lists or had frozen intake as of March 2000 (Schulman, Blank, and Ewen 2001).

3. Other forthcoming papers from this project include Does TANF Status Still Make a Difference in Child Care Assistance? (draft title) by Adams, Montgomery, Capizzano, Sandfort, Tout, and Snyder (early 2002); and Essential but Often Ignored: Child Care Providers in the Subsidy System (draft title), by Adams, Snyder, and Tout (early 2002).

4. Note that the term "policies and practices" is used here to refer broadly to the range of laws, regulations, policies, and implementation practices that shape how subsidy policies are determined and implemented.

5. Unless otherwise noted, the data presented here represent a picture of the policies and practices in these states as of the time of our site visits and interviews. When we know that a policy has changed since our visit, it is noted in the text or in a footnote.

6. Child care subsidy systems have always been decentralized and have varied across states. For example, our sites varied in the number of programs that were in place, the levels of funding, the extent to which policies were devolved to the local level, and the child care policies they had in place.

7. While we will refer to front-line staff as caseworkers in this report, local subsidy agencies used a variety of terms for these staff, including specialists, social workers, and counselors.

8. This was true in Denver, Boston, Detroit, and Birmingham. In addition, local subsidy management agencies in Washington were given the option to change how they allocated responsibilities across different caseworkers.

9. In addition, though not the focus here, it is useful to recognize that the lack of internal communication and coordination could also make it somewhat more difficult from the caseworker's perspective, particularly if the roles are very specialized. As a Denver caseworker noted, "I am just a processor—I don't know if [clients] are eligible, the case manager knows that. I don't know what the provider is going to get paid, the business office knows that."

10. This parent noted that her experience on this issue varied depending on which local office she dealt with.

11. In all seven of the offices where we had information on office hours, the offices had extended hours, though five of these offices had only slightly extended office hours. In El Paso and Miami, for example, the child care offices we visited open at 7:30 a.m., while in Milwaukee and Detroit the offices we visited stay open until 6:30 p.m., and one of the Oakland offices we visited had its last appointment at 6:00 p.m. In addition, one caseworker in Denver reported that she will stay after 5:00 p.m. to "accommodate a parent's work schedule," but it was not clear how widespread this practice was across the agency. The offices in Los Angeles and Houston had more flexible office hours. The office in Los Angeles was open until 7:00 p.m. on weekdays and was open on Saturdays. The office in Houston was open from 7:00 a.m. to 7:00 p.m. during the week and on Saturday mornings at the time of our site visit.

12. It is useful to point out that our sites varied in what kinds of agencies delivered services at the local level. At the time of our visit, the majority (12 of 17 sites) of our ANF sites had private agencies delivering at least some of the subsidy services. These sites were Birmingham, Los Angeles, Oakland, San Diego, Miami, Tampa, Boston, Minneapolis, Jersey City, El Paso, Houston, and Milwaukee. Sometimes the private organizations were private nonprofits that traditionally provided child care resource and referral services. In others, they were multiservice organizations. In many instances, these private contractors were selected by local administrative entities. However, Alabama, New Jersey, and Wisconsin had established a statewide network of administrative agencies, often called "child care management" organizations, with whom the state government had an ongoing relationship.

13. See appendix 1 for administration and program information for the ANF states.

14. While not the focus in this report, families might also indirectly face multiple agencies or programs if more than one local agency administered the program—as was true in San Diego (with 3 agencies administer-

ing the subsidy program), Milwaukee (with 5), Oakland (with 9), and Los Angeles (with 10)—or if they lived in a community with more than one subsidy program for which they were eligible. The latter situation usually consisted of one program that provided child care through vouchers that families could use at a variety of child care settings and a separate child care subsidy contract system whereby some providers had contracts with the state to provide services to children eligible for subsidies.

15. While we did not examine this issue, research from other fields suggests that coordination and communication among agencies can be more difficult when different kinds of agencies are involved—for example, a public government agency and a private agency such as a local resource and referral agency. This research suggests that systemic barriers to communication and coordination can easily develop in sites when the local organizations charged with subsidy administration are a mixture of public and private entities (as they were in Boston, Milwaukee, and San Diego). This is often because of differences in agency culture, procedures, and responsiveness (Sandfort 1999).

16. Birmingham, Miami, Tampa, San Diego, Oakland, Los Angeles, and Milwaukee. In Birmingham and Los Angeles, non-TANF families can apply by mail to get on the waiting list, but once their name comes up on the waiting list, they must come to the office to continue the subsidy application process. In Alabama, it is unclear whether having TANF families come in to the office to apply for subsidies is a statewide practice. A state respondent in Alabama noted that TANF, protective service, and foster care parents are not required to submit to in-person interviews.

17. In Denver, the application is handled as part of a family's TANF orientation by the welfare caseworkers.

18. In Boston, parents can do the initial screening intake by phone, but they still must come in to pick up the voucher in person.

19. In New York City, TANF families receiving subsidies were not required to apply for child care, except in cases where the TANF families were using contracting providers through the Agency for Child Development. In these cases, families could apply for subsidies at the contracted providers. See appendix I for more information about New York City's administrative structure.

20. Detroit, Seattle, Minneapolis, El Paso, and Houston.

21. A referral can be a paper document that verifies the family is authorized for care. Families in Los Angeles, Oakland, San Diego, Boston, Minneapolis, Jersey City, Seattle, Birmingham, Buffalo, New York City (parents using contracts), Tampa, and Miami needed referrals from the TANF/employment services office to receive subsidies.

22. We did not collect information on this issue in Buffalo.

23. Oakland and San Diego.

24. Jersey City, Tampa, Miami, Birmingham, Boston, and Los Angeles.

25. In Miami, although there is colocation of services, families may also apply for child care at the main child care agency.

26. Milwaukee, Detroit, Denver, El Paso, Houston, and New York City (vouchers). In Detroit, a multifunctional caseworker (called a family independence specialist) handles TANF and child care for a family.

27. In Minneapolis, divorce decrees are required to verify custody arrangements and court-ordered child support.

28. In these two sites, parents who were paid weekly needed only to provide three weeks of pay stubs (or three pay stubs). Parents who were paid biweekly needed to provide one month of pay stubs (or two pay stubs).

29. The reason behind this unwillingness was unclear, but this is an important issue to explore.

30. These documents would then be sent back to families by the caseworker.

31. This agreement ensures that the provider will accept the rate the state pays, clarifies the parent fee policy, and lays out the basic agreement as to the rights and responsibilities of the provider and the parent.

32. The federal Child Care and Development Fund (CCDF) requires that states ensure that child care settings (other than relatives) meet minimal health and safety standards. Under federal law, programs that are required to be licensed under state laws must be licensed if they receive CCDF funds, and states are required to put in place minimal protections for those subsidized providers who are legally license exempt (except for certain relatives). States may choose to set basic protections for relatives if they wish.

33. Miami, Tampa, Jersey City, New York City, and Seattle.

34. For families that use child care providers that did not have existing payment agreements with the state. Since our site visit in 1999, the local subsidy office in Tampa has developed a new Approval for Payment form that eliminates the return visit for parents. Once completed by the provider, this form can be mailed or dropped off at the agency by either the parent or the provider.

35. The only exceptions are Houston, El Paso, and families using contracts in Boston.

36. California requires license-exempt providers other than grandparents, aunts, or uncles to go through screening process called Trustline. This involves a criminal background check and placement on registry if record checks are clear.

37. In Florida, several regions (including Tampa) have implemented recertification by mail. Although Miami had not done so at the time of our site visit, this policy may be implemented in the future in Miami as well as in other regions in Florida not already recertifying by mail.

38. In Birmingham, the child care agency uses a combination of mail and in-person visits to recertify families who are not on cash assistance. Families are required to recertify twice a year in six-month intervals. One of the recertifications each year must be done in person. Parents have the option of recertifying by mail during the next recertification six months later.

39. In Tampa, families receiving cash assistance had to come into the office, whereas transitional and non-cash assistance families could recertify by mail—though respondents suggested that this option might be extended to all families in the future. In Boston and the Agency for Child Development (ACD) in New York City, in-person visits to the child care agency are required for families with a voucher, though in some cases ACD workers in New York City would visit the provider's facility to recertify parents there. Some parents noted that this was not as convenient as in the past, when providers could do recertification. With providers completing the recertification, parents could easily recertify after work, but with an ACD caseworker coming to the facility, the parents had to make sure to be there when the caseworker was there.

40. Denver, Detroit, Minneapolis, Jersey City, El Paso, Houston, Seattle, Milwaukee, and Buffalo.

41. In El Paso, parents can recertify by mail or phone. Parents wanting to recertify by phone are asked to make an appointment in advance and then, before the phone appointment, the parent must fax/mail/drop off the required paperwork. Fifteen minutes before the interview the parent needs to call in—caseworkers referred to this as "signing in"—and leave a number where they can be reached. Caseworkers will then call the parents at the time of the scheduled appointment.

42. New York City and Boston have traditional contract systems in which the subsidy agency obligates funds to a particular program to serve a particular number of children over a specified period of time.

43. In Minneapolis, for instance, agency staff for the nonwelfare subsidy program noted that each time a parent recertified they were supposed to do an employment verification, though some agency staff noted that caseworkers might not actually require parents to do this if it seemed that the families' status had not changed since the previous recertification.

44. While these parents might still have to deal with the child care agency if the redetermination resulted in any changes to their child care subsidy or payment (such as changes in the hours of care needed), much of the process was handled by the welfare caseworker.

45. These were caseworkers from the office that handles families receiving TANF. Respondents from the office that handles non-TANF families noted that this was not a practice in their agency.

46. These packets include all necessary information, instructions, and forms that parents need to complete the recertification process.

47. The child care agency recently changed their recertification procedures so that parents are told of the recertification requirement and the date of recertification when they apply. Parents are asked to sign a letter stating that they received this information, because in the past parents complained that they did not know about recertification.

48. The role of providers is the subject of a future paper from the ANF case studies.

49. San Diego, Miami, Tampa, Buffalo, Minneapolis, and Houston.



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50. We define the grace period as the number of days between the time the authorization ends and the time the termination process begins. The termination process may include another grace period between the time the parent is notified of the termination and the time the parent's subsidy is formally terminated (see chapter 7).

51. Because of this situation, as well as the separate funds and requirements for these two groups, many states claimed that these separate programs and entitlements made it difficult to treat low-income working poor families equitably and to set up seamless systems for all low-income families. The elimination of these entitlements under the 1996 act was at least in part a response to these concerns. However, the fact that the TANF program has specific work requirements and time limits, and that funding is not adequate to serve all eligible families who apply for subsidies, has led many states to continue to give priority to TANF families.

52. We focus on state-level policies in this section, because eligibility policies are usually determined at the state level.

53. Alabama, California, Florida, Massachusetts, Minnesota, New Jersey, New York, and Texas. Thirteen of our seventeen sites, therefore, were in states that had retained the transitional child care concept.

54. Families in Birmingham had to apply for transitional child care within the first six months to get it and to maintain their eligibility for this priority status. Similarly, families in Miami had to apply within the first 12 months after they left welfare. If families in these states applied after this time period, they would lose their priority status and would have to apply for assistance with other low-income working families, which in these states meant that they might be put on a waiting list for subsidies.

55. Washington and Wisconsin had also eliminated any special priority groups for receiving services. Wisconsin's subsidy program is particularly notable in that it has eliminated any connection with the welfare system as giving families special priority for child care services, and instead has decided to treat all low-income working families identically (where eligibility is based on employment and income). A few other non-ANF states have eliminated welfare as a special priority group and have committed to serving all applicants. Although Michigan had eliminated the transitional period, the state still had priority groups for services (including former TANF families), though they were not used. Respondents in Michigan reported that the priorities were established in case there were not enough funds in the future to serve all eligible families who applied. Colorado also continued to have priority groups for child care subsidies.

56. Respondents in Alabama, Florida, Massachusetts, Michigan, Minnesota, New Jersey, New York, and Texas noted that information about transitional benefits was not always provided.

57. In some cases, the problem appeared to be that the caseworkers in the welfare or employment system were not adequately informing families of their ability to retain child care.

58. Families receiving subsidies while on TANF would have their child care benefits automatically transferred to Minnesota's Transition Year child care program.

59. While this section describes what was found in our sites, it is important to stress that—as is true often in this report—these details vary both across and within states. For families in New York, for example, procedures vary by district.

60. Denver, Miami, Tampa, Boston, Jersey City, Birmingham, Detroit, Milwaukee, El Paso, Houston, Buffalo, and families being served by the Human Resources Agency in New York City.

61. Birmingham, Miami, Tampa, Boston, Jersey City, and Milwaukee. A respondent from Boston noted that while parents are required to visit the TANF/employment office to get an authorization for child care subsidies, the child care agency may issue a voucher by mail in some instances. We did not collect data on this in El Paso. California sites are not included here.

62. Tampa, Miami, and Boston. A respondent in Boston noted that child care workers are posted at the TANF/employment office on designated days, decreasing the number of offices a parent would need to visit if the parent visited the TANF office on the day the child care worker was there. The respondent also noted that in some instances the child care agency would issue a voucher by mail.

63. See: Adams, Montgomery, Capizzano, Sanfort, Tout, and Snyder. Forthcoming. "Does TANF Status Still Make a Difference in Child Care Assistance?"

64. This is not an issue in Detroit, Denver, Seattle, and Milwaukee, where there is no transitional period.

65. Birmingham, Boston, Miami, and Minneapolis. Miami's policies changed in July 1999, so that these families were exempt from the waiting list. Before that, they would face waiting lists. We did not collect information on this issue in El Paso and Buffalo.

66. Los Angeles, San Diego, Oakland, Tampa, New York City, Jersey City, and Houston.

67. Jersey City, New York City, and Houston. In Jersey City and Houston, these families were given priority on the waiting list over low-income families who had not been on welfare.

68. Los Angeles, Oakland, San Diego, and Tampa.

69. At the time of our visit, respondents in California anticipated that at least some families who had been off cash assistance for two years would end up going on the waiting list for child care assistance due to the shortage of funds in Stage 3 child care (the stage that is designed to serve families after they have completed their transitional period). In fact, respondents in Oakland reported that agency staff suggested that families leaving TANF put themselves on the waiting list for Stage 3 child care when they left TANF—effectively at the beginning of their 24-month transitional benefits—so that their name might come up by the time they exhausted their transitional benefits. Since our site visits, California allocated additional funds to Stage 3 child care, thereby delaying the use of waiting lists for families leaving Stage 2.

70. As described earlier, in some sites families do have to move from one agency to another at this stage in the process.

71. Jersey City, Tampa, and families in New York City who are not using contracted providers.

72. Birmingham, Jersey City, and New York City (only families who are not using contracted providers). A state-level respondent from Alabama noted that state policy does not require this change in caseworker.

73. It is interesting to note that this situation may be an improvement to the policies and practices that were in place before the 1996 welfare reform legislation. Respondents in a number of states (including Alabama, Florida, Massachusetts, and New York) noted that since 1996 their states/localities had developed more formal procedures for helping families access transitional benefits. They noted that transitional benefits were not particularly systematic before that time. In fact, staff in Alabama described a system before 1996 in which it was not uncommon for families to "fall through the cracks."

74. Parents were required to report changes within 10 days in Tampa, Boston, Detroit, Minneapolis, Houston, Seattle, and Milwaukee. In Colorado, parents said that parents on cash assistance had to report within 10 days and that families not on cash assistance had up until 30 days; this information was not corroborated, so it is unclear whether this is correct.

75. Tampa, Miami, Jersey City, and New York City. While parents in Tampa were required to come to the office in person to report changes in job hours/income, respondents noted that families could call the office to let their caseworker know they had lost their job. Respondents in other sites (with the exception of Milwaukee) did not provide details on what was required of families in terms of in-person visits and so on when parents lost a job.

76. There was some inconsistency across respondents in their answer to this question. Agency staff, however, often were the source of information suggesting that in fact (if not the formal policy) families actually had to come into the office.

77. Birmingham, Los Angeles, San Diego, Oakland, Denver, Boston, Detroit, Minneapolis, El Paso, Houston, Seattle, Buffalo, and Milwaukee. Respondents in Milwaukee also noted that parents do not have to come in to report job loss as well. In Boston, while there is no policy requiring parents to come in to the office to report changes, caseworkers reported that parents would need to come in if they were changing from full-time to part-time work, because their voucher would change.

78. This policy seemed to be implemented more strictly in Minneapolis. In Detroit, whether a caseworker collected overpayments varied by caseworker.

79. Parents and/or caseworkers reported this situation in Birmingham, Tampa, Miami, and Minneapolis.

80. This provides an important reminder that this report only presents a small part of the picture of what parents have to do to get and retain benefits. Here, we examine only what families have to do to get and retain their child care benefits, which does not address the extent to which they must also interact with other agencies to get and retain other benefits, such as Medicaid or Food Stamps.



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81. Not all parents are working with an employment services provider, so some parents may only have two caseworkers (child care and TANF).

82. For example, in Los Angeles, families on cash assistance who experienced a job change had to wait for the county welfare office to reauthorize the next component of their work schedule before the family could continue to get their child care assistance. As a result, some respondents noted that child care assistance could be delayed, which could cause the family to temporarily lose their subsidy, potentially causing the family to lose their slot with their child care provider. This not only could easily make it more difficult for the parent to retain their job, it could also be problematic for the child who faces the loss of his or her stable child care situation.

83. In Texas, for example, the Choices caseworker handled most eligibility-related interactions with the child care caseworkers for the parents, so parents had little or no contact with the child care caseworker except on provider payment issues.

84. This section focuses on whether families who were already receiving subsidies could retain subsidies when they lost a job. An entirely different issue is whether families can initially be eligible for subsidies for job search. While not a focus of this report, TANF families in our sites generally were eligible for subsidies for initial job search, as this was often the initial work activity for these families. It was not clear to what extent non-TANF families could initially qualify for subsidies for job search.

85. One respondent in New York City said that families not receiving cash assistance were given six months of job search child care. This was not corroborated elsewhere so it is not clear whether this is correct.

86. We received conflicting information from respondents in this site about whether subsidies were reduced to part-time for job search. The policy, however, is that subsidies are not reduced during job search.

87. Lowering parent fees was mentioned by caseworkers that handle low-income working families not receiving cash assistance. It was not clear if this was a practice of all caseworkers, including those that handle TANF families.

88. The process also has important implications for child care providers. This topic will be examined in a future paper on child care providers in the subsidy system.

89. Birmingham, Los Angeles, Oakland, San Diego, Boston, Minneapolis, Jersey City, El Paso, and Milwaukee.

90. Los Angeles, Oakland, Boston, Minneapolis, and Milwaukee. Of the remaining six sites where advance notifications were discussed, Birmingham, Houston, and Denver did not require advance notification of the provider. In San Diego, parents were required to notify their caseworker that they wanted to change providers. The caseworker would then give two weeks' notice to the provider. We did not collect information on this issue in Jersey City and El Paso.

91. In Los Angeles, parents were required to give advance notice to their caseworker, but there was no set time period. In the remaining six sites where the issue of advance notification was discussed, Denver and Houston did not require advance notice to the caseworker. We did not collect information on this issue in Milwaukee, Minneapolis, Boston, and Oakland.

92. Birmingham, Oakland, Los Angeles, San Diego, and Milwaukee.

93. Miami, Tampa, Boston, Oakland, San Diego, Los Angeles, Milwaukee, and New York City.

94. In Boston, families using contracted providers needed to visit their provider to make this change. In these cases, the subsidy does not move with the family. In the California sites—Oakland, San Diego, Los Angeles—those families wanting to use a license-exempt provider needed to come in in person, and in New York City only families receiving subsidies through the Human Resources Agency needed to do so.

95. Families in Birmingham, Denver, Detroit, Jersey City, Minneapolis, El Paso, Houston, Buffalo, and Seattle did not have to come to the subsidy office to change providers.

96. Birmingham and Jersey City. Parents in Jersey City also had to call.

97. Miami, Tampa, and El Paso. In Houston, parents not in the Choices program did not need to show written proof that they had paid all their parent fees. However, caseworkers would call providers to check the parent fee payment status.

98. Alabama, California, Florida, Massachusetts, Minnesota, New Jersey, New York, and Texas.



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99. We did not collect data on this issue in Miami.

100. In Tampa, the notification process was different for WAGES (Florida's TANF program) families and families who recertified by mail. Specifically, for WAGES families terminated from the WAGES program, agency staff reported that the child care caseworker would not send out a child care termination notice (this would be the WAGES caseworker's responsibility in this case). Non-TANF and transitional families that recertify by mail would receive a late notice if materials were not sent back by deadline, but if the materials still were not sent in they would be terminated without a notice.

101. One strategy to address this is to ensure that providers also receive all termination notices—a practice in all of our sites. These notifications were done by mail, but in some sites (e.g., Houston and Tampa) caseworkers said they would also call providers to let them know. This issue will be examined in greater depth in a future publication focusing on providers in the subsidy system.

102. We did not collect information on this issue in Denver, Detroit, and Tampa.

103. Since our site visit, Massachusetts has also developed a similar policy, under which parents who have been terminated and then become eligible again may reenter the subsidy system within three months and avoid the waiting list.

104. Caseworkers noted that this did not mean the families necessarily were able to keep their slot with their provider, so when they started subsidies again, they might have needed to find a new provider.

105. The establishment of the Child Care Bureau in the U.S. Department of Health and Human Services, and the expansion of technical assistance activities in recent years, has provided a venue for state and local subsidy administrators to get technical assistance and support on how to address administrative, structural, and infrastructure issues in providing subsidies.

106. For more information about a particular state, see the Assessing the New Federalism State Updates Nos. 1–12.

107. The states and sites were Alabama (Birmingham), California (Los Angeles, Oakland, and San Diego), Colorado (Denver), Florida (Miami and Tampa), Massachusetts (Boston), Michigan (Detroit), Minnesota (Minneapolis), New Jersey (Jersey City), New York (Buffalo and New York City), Texas (El Paso and Houston), Washington (Seattle), and Wisconsin (Milwaukee). Mississippi, an Assessing the New Federalism state, was not included in the second round of case studies.

108. Multiple localities were investigated in California, Florida, New York, and Texas because of the size of these states.

109. There are also some other complicating factors as to whether a move will trigger a change in jurisdictional agency. For example, in Seattle and some areas of Los Angeles, parents could retain their subsidy from their existing agency if they were continuing to use the same provider even if they moved outside the boundaries of the agency. Also, in some sites (such as in California and Seattle), there were multiple local agencies managing subsidies for different parts of the jurisdictional area. In these sites, the parents could end up changing the local agency they used when they moved within the city, while not formally leaving the larger jurisdictional area of the overarching subsidy agency for that locality.

110. Texas is divided into regions. Houston is part of the Gulf Coast region, which is made up of 13 counties.

111. Respondents in Denver, Los Angeles, Oakland, Miami, Tampa, Buffalo, Detroit, Minneapolis, and Milwaukee said families needed to reapply. We did not collect information on this issue in San Diego, Jersey City, New York City, El Paso, Houston, and Seattle.

112. For example, Birmingham, Los Angeles, Tampa, El Paso, Houston, Milwaukee, and Boston. Some respondents in San Diego also mentioned that they would contact the new site, though whether they did this seemed to vary by office.

113. Michigan and Wisconsin had linked computer systems. Alabama and Washington were in the process of developing linked computer systems at the time of our site visit.

114. This could be an issue for families in the eight ANF states that had waiting lists for families not receiving cash assistance (Alabama, California, Florida, Massachusetts, Minnesota, New Jersey, New York, and Texas). Some states, however, had policies giving these families priority in the new jurisdiction.

115. In Jersey City (TANF families only), Oakland (Stage 1 families only), San Diego, Minneapolis, and Denver (non-TANF families), some families can receive subsidy funds when they move from geographical loca-



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tions. A state-level respondent in New York also mentioned that for TANF families the old county would pay for subsidies for the month they move and the following month. This policy was not mentioned in either of our two New York sites.

116. In most cases there were explicit policies for how long families could receive subsidies—Jersey City (three months of funding for TANF families), Oakland (two months of funding for Stage 1 families), Minneapolis (eight months, with two of these months covered by the former county and the remaining six months covered by the new county), and Denver (30 days for non-TANF families). However, in San Diego, respondents reported that they would sometimes make arrangements with other counties to continue to pay for families until the new county could pick up the family.

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